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NEWS SUMMARY

GENERAL

Paisley unveils Ulster campaign

The Rev. Ian Paisley plans a series of public rallies and the signing of a declaration by Protestants in his campaign against what he says is another attempt to hand Northern Ireland over to the Irish Republic.

He said yesterday the plan was modelled on the 1912 opposition to Irish home rule speadheaded by Lord Carson.

Mr. Paisley and his fellow Democratic Unionist MPs were the first to sign the declaration. The first of 11 rallies will be in Omagh, Co. Tyrone, on Friday. Page 9

D'Oyly may close

The D'Oyly Carte Opera Company will close on July 18 unless a sponsor is found. Page 15

Sihanouk returns

Former Kampuchea leader Prince Sihanouk agreed to head a national front to fight the Vietnamese in Kampuchea on five conditions. One was the arming of the front by China. Page 3

Falkland talks

Talks with the UK on the future of the Falkland Islands will start on February 28 in New York, Argentina said.

Boycott ends

Black South African students called off their 10-month school boycott in protest at racial inequality on condition their demands are met within a month.

'Jail drink' claim

Police are investigating an ex-prisoner's allegations in yesterday's Sun that drink and drugs are smuggled into Wandsworth and sold to inmates.

Bridge delay

The opening of the Humber bridge to traffic is likely to be postponed from April to May.

'Soho of North'

The owners of a chain of sex shops threatened to turn Barnsley into "the Soho of the North" in retaliation against residents trying to drive them out.

Grundy banned

Journalist and broadcaster Bill Grundy received a three-month suspended prison sentence at Stockport on a drink-driving charge. He was fined £300 and disqualified from driving for three years.

Biggin call

A London consultant physician called for a public inquiry into the Biggin Hill air display crash last September in which seven died.

China reactor

China's first large high-flux nuclear reactor is in operation near Chengdu in the south-west, the China news agency said.

Policeman's lot...

Policemen who arrived after a road accident involving three cars in West Cumbria found that the drivers were all policemen.

Briefly...

Paul Ruddock, injured in the South London birthday party fire, died from his burns.

Gwen Berryman, formerly Doris Archer of the radio programme, receives her MBE at Buckingham Palace today.

French Socialist leader Francois Mitterand started a week's visit to China.

BUSINESS

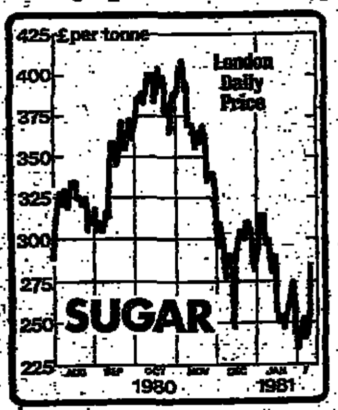
Gold up $14; equities firm

● GOLD rose $14 in London to $516.50. In New York, the Comex February close was $518.25 ($504.5). Page 23

● EQUITIES: the FT 30-share index closed 0.6 higher at 480.9, the highest for two months. The Gold Mines index added 14.9 to 340.2. Page 26

● GILTS: the Government Securities index was down 0.13 at 69.17. Page 26

● SUGAR: the London daily raw sugar price was fixed £35 up



at £285 a tonne, but the May position declined in the afternoon to close £4.375 down at £287.25 a tonne. Page 25

● WALL STREET was down 4.09 near the close, at 948.21. Page 24

● SINGAPORE: Straits Times index rose 19.75 to a record 770.94. Page 24

● DOLLAR closed at DM 2.1390 (DM 2.1375), SwFr 1.9400 (SwFr 1.9380), and Y203.80 (Y202.75). Its trade-weighted index was 99.1 (99.3). Page 23

● STERLING's trade-weighted index was 104.1 (103.8). It closed 35 points down at $2.3405. Page 23

● BRITISH GAS won a dispute with the British National Oil Corporation for control of methane gas from the planned £2bn North Sea gas gathering system. Page 8; £40m gas compression project completed, Page 6

● SAUDI ARABIA raised the price of oil supplied under temporary contracts to countries affected by the Iran-Iraq war by $4 to $36, European oil executives said.

● RETAIL SPENDING fell 0.7 per cent by volume, seasonally adjusted, in December against November. Page 7

● COAL BOARD will ask miners' leaders to accept 20,000 redundancies over the next two years. Back Page

● UNILEVER said it will meet the £50,000 annual running costs of a new company in Birkenhead which will advise small firms wishing to expand.

● ALLIED BREWERIES is to close its Ansells Brewery in Birmingham with the loss of 600 jobs. Back Page, details Page 7

● SEAMEN'S union offered to go to arbitration on outstanding parts of its pay claim if the employers' 12 per cent offer is paid immediately. Page 10

● STAG LINE advised shareholders to ignore bids by Hunting Gibson and Turnbull Scott. Page 19

● CHRISTIAN SALVESEN, unquoted seafoods-to-properties company, said pre-tax profits fell from £16.9m to £15.1m for the year to September 30. Page 18

● R. P. MARTIN AND CO., foreign exchange broker, said pre-tax first half profits rose 150 per cent to £705,000. Page 18

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Alcan Aluminium (UK)	110	+ 58
Bardsey	22	+ 3
Barget	178	+ 6
Bowater	198	+ 6
Brotherhood (P.)	151	+ 9
Central Manufacturing	54	+ 4
Chubb	63	+ 6
Dunlop	61	+ 4
Duport	10	+ 3
Electronic Rentals	99	+ 6
Firth (G. M.) (Metals)	56	+ 13
Ford (Martin)	24	+ 2½
Grimshawe	32	+ 4
Guinness Peat	122	+ 9
Howard Machinery	24	+ 2
International Paint	87	+ 7
London Brick	66	+ 3
M.K. Electric	193	+ 11
Martin (R. P.)	166	+ 10
Muirhead	109	+ 7
Paterson (R.)	38	+ 4
Peters Stores	116	+ 16
Savoy A	122	+ 6
Sidlaw	116	+ 9
Sime Darby	85	+ 6
Stag Line	420	+ 17
Santos	912	+ 77
Strata Oil	208	+ 30
Highlands & Lowlands	54	+ 5
Durban Deep	941	+ 82
Haoma Gold	138	+ 26
Kinross	620	+ 56
North West Mining	88	+ 14
Unisel	353	+ 26
Ventersport	524	+ 62
Western Holdings	£31¼	+ 1¼
FALLS		
Excheq. 12¼pc 1985	£97	— ¼
Excheq. 10¼% 1995	£79	— ¼
Kalamazoo	60	— 6
Manchester Ship Canal	187	— 11

Mrs. Williams quits power base on Labour executive

BY ELINOR GOODMAN, LOBBY CORRESPONDENT

MRS. SHIRLEY WILLIAMS cleared the way last night for a new political party in the spring. She made clear that she had given up all hope of the Labour Party.

All the signs were that Mrs. Williams, the one member of the "Gang of Four" who had seemed to be hesitating on the brink of leaving Labour, was ready and willing to join a new party.

She announced that she was resigning from the party executive after 10 years.

This means she has abandoned her one remaining power base in the party. The party she loved, she said, no longer existed.

Her decision will come as a major blow to Mr. Michael Foot, the party Leader. Mrs. Williams is one of Labour's biggest electoral assets, and Mr. Foot has made a strenuous effort in the last few weeks to stop her leaving.

He will have to accept that she is almost certain to leave Labour altogether.

Last night members of the executive were pressing her to state her intentions. Mr. Eric Heffer said that the Council for Social Democracy must now clearly explain whether or not they were going to form another party.

Her resignation from the NEC will be followed shortly by that of Mr. Tom Bradley. Both will remain members of the Labour Party for the moment.

But it is only a question of weeks before the Council for Social Democracy makes its final break with Labour.

The 11 MPs who signed the council's original statement two weeks ago will resign from the party shortly.

All that delays them now is the tactical consideration of timing and the logistical problem of ensuring that they make a clean break by all telling their constituency parties at the same time.

In the meantime, Mr. Foot will continue his efforts to pick off individual members of the council. But it has gained such momentum since its launch by Mrs. Williams and her colleagues in the Gang of Four that the break could come in a month.

There will then be a delay before a new party is formed.

Until now Mrs. Williams, Dr. David Owen and Mr. William Rodgers have claimed that they still hoped for a "miracle" which would mean they could stay in the party.

Mrs. Williams's letter of resignation to Mr. Ron Hayward, the party general secretary, made clear that in her view there was now no chance of miracles, and that there was therefore no point for her in trying to fight the Left from within the party.

She had learned, she said, that compromise on the NEC was "another name for endless retreat."

The party now emerging was a party "intent on controlling those of its members who are elected to public office by the people of Britain."

She said that she saw no prospect that things would change on the executive. She dismissed Mr. Foot's attempts to seek a compromise on the form of electoral college by changing the shares.

To those who had been her "allies and friends on the NEC," she said how sorry she was to part company with them. "I do so only because I believe that the party I loved and worked for over so many years no longer exists."

Mrs. Williams' place on the executive will be taken by Mrs. Betty Boothroyd, another moderate, who was runner-up in the Women's Section at last year's party conference.

The Far Left will gain a valuable ally when Mr. Bradley goes. His seat will be taken by Mr. Bernard Dix of NUPE, who will strengthen the Left's long domination of the executive.

Hopes rise for settlement in EEC fish policy talks

BY LARRY KLINGER IN BRUSSELS

THERE WAS cautious optimism in Brussels last night that Common Market Ministers were on the verge of a breakthrough in their five-year struggle to establish a common fisheries policy.

It was clear, however, that settlement would depend on Britain and France patching up their long-standing differences over the rights of French trawlers to fish in waters near the UK's shore.

At the end of the first session of a two-day Council of Fisheries Ministers here Mr. Peter Walker, representing Britain, and M. Daniel Hoeffel agreed to "make themselves available" later in the evening for talks with the European Commission and the presidency of the Council of Ministers.

The chance of talks between the leading protagonists in the debate raised hopes that enough progress could be made in bilateral discussions to enable the Commission to draw up concrete compromise proposals aimed at gaining full agreement today.

The argument between the two countries concerns rich inshore fishing grounds round Britain to which the UK claims preferential—and in some cases, exclusive—access. The French, for their part, claim they have a historic right to fish in these areas.

West Germany is pressing for a rapid settlement of this dispute because without it a common policy cannot be agreed. While there is no internal EEC regime Britain refuses to sanction an agreement with Canada which would help the hard-pressed German industry.

At issue is a package which would allow German deep-water boats to fish off Canada in return for the Community importing fish from Canada at reduced rates of import levy.

Mr. Walker said yesterday that he had been assured by the West Germans that there was not a "line-up against the British position."

His remarks followed reports that Herr Helmut Schmidt, the West German Chancellor, and M. Valery Giscard d'Estaing, the French President, were blaming Britain for the lack of progress.

M. Hoeffel also adopted a conciliatory tack. He said last night that there was no question of a ganging up on Britain, and he seemed prepared partially to concede one of Britain's main points of principle.

He said he recognised that certain countries, including Britain, had special problems and that he was prepared to consider the possibility of continuing Britain's rights to extensive preferential zones in its coastal waters for a further 10 years.

But he made clear that France would base any final agreement on the European Community's treaties, which the French interpret as saying that ultimately all Common Market waters should be open to all Community fishermen.

Mr. Walker, for his part, seemed determined not to budge from the main principle that

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UK fishermen's protest grows Page 25

Bleak prospects for Linwood

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

PROSPECTS for Talbot UK's car plant at Linwood in Scotland looked bleak last night after a meeting in London between Government ministers and a delegation from Peugeot, the French parent group.

It was the first time M. Jean-Paul Parayre, president of Peugeot, who led the French team, had met Sir Keith Joseph, the Industry Secretary.

Trade unionists feared the worst last night because they believed that if Peugeot had any good news about Linwood, M. Parayre would have announced it yesterday.

But all Talbot UK would say was that it intended "to continue manufacturing vehicles in Britain and maintain a strong manufacturing base." The unions were disturbed by the absence of any specific denial that Linwood would close.

The Department of Industry's account of the one-hour meeting suggests that Sir Keith and Mr. George Younger, the Scottish Secretary, made an impassioned plea for Peougeot to keep Linwood in operation.

M. Parayre was told about the range of financial incentives available if Peugeot invested more cash at Linwood.

The Ministers reminded him that, when it signed a declaration of intent at the time it took over Talbot UK in 1978, Peugeot said it would find replacements for the Avenger and Sunbeam models made at Linwood.

The unions hoped Peugeot would spend the £100m to £120m necessary to retool and modernise the plant for the small car Peugeot is to launch later this year.

M. Parayre was also reminded about the impact that closure of Linwood would have on employment.

According to the department: "Peugeot said it would consider these points and weigh them up when making its final decision."

The latest estimates of the Peugeot group's losses for 1980 emerged yesterday after a presentation in France by the car division. French analysts expect the losses to be between FFr 2.1bn (£183m) and FFr 2.3bn against a FFr 1.11bn profit (£96m) in 1979.

Automobile Talbot is estimated to have accounted for over FFr 1.3bn (£113m) of the 1980 loss.

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Prime cut to 19% by Morgan Guaranty

By Paul Betts in New York

MORGAN Guaranty Trust Company, the fifth largest U.S. bank, lowered its prime lending rate by half a percentage point to 19 per cent yesterday, a move widely expected to be followed by other major U.S. banks.

Although only one other bank —Manufacturers Bank of Los Angeles — followed Morgan Guaranty's lead yesterday, U.S. money market rates at the beginning of this week suggest there is room for further declines in the prime. With three-month certificates of deposit at 16.65 per cent, the prime could drop eventually to about 18 per cent.

The dollar weakened briefly on the news of Morgan Guaranty's prime cut, which had been generally anticipated, but subsequently picked up again. At noon local time, the dollar was quoted in New York at DM 2.1405, up from DM 2.1340 in late trading last Friday and from DM 2.1390 in London yesterday.

The decline in the key lending rate is coming mainly from the recent fall in bank loan demand, with commercial and industrial loans dropping almost $3.7bn since the beginning of the year, and from a reduction in the banking industry's own cost of funds.

The prime, which hit a record 21.5 per cent in December, has traditionally come down more slowly than other rates in the U.S. as banks seek to maintain their profit margins.

Although interest rates in the U.S. have been declining since the beginning of the year, the market continues to be volatile. Other short-term and particularly longer-term rates were facing upward pressure, largely because of the heavy supply of new corporate and Government issues coming on to the debt market.

The market is still digesting last week's record $8.5bn quarterly financing by the U.S. Treasury at a time when a growing number of large corporate borrowers are again turning to the market. The corporate and municipal bond markets, for example, face a big load this week, with more than $950m of debt sales on the calendar. Last week, $700m of offerings came to the market.

U.S. economic policy Page 16

£ in New York

—	Feb. 6	Previous
Spot	$2.3440-3460	$2.3310-3330
1 month	0.60-0.67 prem	0.65-0.72 pm
3 months	2.40-2.50 prem	2.45-2.55 pm
12 months	7.15-7.35 prem	6.90-7.10 pm

Fall in wholesale price inflation may be ending

BY DAVID MARSH

THE RUN of exceptionally low increases in the cost of industry's fuel and raw materials appears to have come to an end.

Although the annual rate of wholesale price inflation is still falling, the decline seems to be tailing off—and could come to an end if sterling weakens further against the dollar in coming months.

British industry last month suffered the biggest increase for a year in its bill for fuel and raw materials, mainly as a result of higher oil prices, according to figures published yesterday by the Department of Industry.

One result was that manufacturing companies raised their output prices by the largest monthly rate since last spring.

On a 12-month basis, the rate of wholesale price inflation—for both input and output prices of manufacturing industry—continued to fall last month. It stands at the lowest for about two years.

The cost of industry's raw materials and fuel, and the level of output prices, were held down drastically in summer and autumn by a combination of the recession and the strong pound.

Whitehall officials expect the 12-month rate of increase of output rices will fall further in the next few months, especially now that lower wage settlements are starting to ease industry's finances.

But sterling's drop against the dollar of the past few weeks, by adding to the cost of oil and other raw material imports priced in dollars, may limit the extent of the decline—especially if companies bid more aggressively to recover their profit margins.

WHOLESALE PRICES
(1975=100)

		Materials and fuel purchased	Output (home sales)
1980	1st	197.2	191.4
	2nd	201.3	199.0
	3rd	201.9	203.6
	4th*	203.4	206.1
	Nov.*	203.4	206.2
	Dec.*	205.3	206.8
1981	Jan.	210.6	209.6

* Provisional
Source: Department of Industry

In the meantime, however, the prospect is for a further ebbing of inflationary pressures at the retail level. A fall in the annual rate of retail price inflation to near the 13 per cent level is expected when the January figure is published on Friday. Several City analysts expect the 12-month rate will be into single figures by the summer.

The price index for materials and fuel purchased by manufacturing industry rose by 2.6 per cent between December and January to 210.6 (1975=100).

The increase, the largest monthly rise since January last year, was due above all to higher crude oil prices decided by the Organisation of Petroleum Exporting Countries.

The rise would have been still larger were it not for sterling's general strength on the foreign exchanges last month.

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Retail sales down Page 7
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Soviet gold coin on sale

BY DAVID MARSH

Gold-minded UK investors with an eye for the exotic will this week be able to buy the ¼ oz Russian gold coin, the Chervonets, over the counter at the London branch of the Moscow Narodny Bank.

The Soviet decision to put the coin on direct sale for the first time in Britain is part of a policy to diversify Moscow's gold marketing strategy.

The Soviet bank which markets the coin worldwide, the Zurich-based Wozchod *Handelsbank, started an* advertising campaign in the British press late last year to boost publis awareness of the Chervonets. But the Russians have lacked a direct sales outlet in the UK.

The Soviet Union has already promoted the coin in the U.S., West Germany and Switzerland — although the press launch in the U.S. came ruinously unstuck in the wake of the Russian invasion of Afghanistan.

Later this week, Moscow Narodny will start to sell the coins at a premium of about 9 or 10 per cent over the basic gold price—roughly similar to the premium on the ¼ oz South African Krugerrand.

The bank will not normally be prepared to buy back coins.

The Chervonets has been marketed in the West since 1975. Last year 1m were minted for international distribution. The Soviet authorities argue, slightly tongue in cheek, that the coins are especially suited for investors with political objections to South Africa.

CONTENTS

For latest Share Index phone 01-246 8026

Coluche . . . joker in the pack.

Comedian claims a place in French presidential race

BY DAVID WHITE IN PARIS

COLUCHE, THE joker in the pack of French Presidential candidates, claimed yesterday that he had been promised enough support from mayors throughout the country to enable him to stand in the first round of the election on April 26.

The notorious comedian chose a meeting with the Anglo-American Press Association here to announce that he had been pledged 632 signatures. Candidates require 500 from elected representatives in order to stand.

The backing, he said, came from disgruntled mayors who objected to the changing of electoral rules which previously allowed them anonymity when they sponsored candidates. He would not reveal their names now, since they might come under political pressure.

Potential sponsors are due to receive candidacy forms early next month and have to submit them to the Constitutional Council by midnight April 7. Most of the 50 or so people who have entered the race will be eliminated by this process.

Dressed in his cusomary garb of striped dungarees, red scarf and paper hat, Coluche admitted he had entered his name as a publicity stunt.

Claiming to be "not a nouveau riche but an ex-pauper" and the only candidate who could safely undergo a lie detector test, he laid bare the balance sheet of his campaign so far: FFr 6m (£520,000) worth of free advertising for a FFr 17 (£1.50) outlay, the cost of sending a telegram declaring his candidacy.

He said he would be the only candidate to come out of the election "with honour; that is, with some dough."

But when the opinion polls started giving him double figure percentages he had decided to "try to make my candidacy serve some purpose."

He would be ready to trade off the votes of his supporters in the second round in exchange for a promise of "a little less repression in relations between the state and the public. Things like that."

After the election, he would make one last film, retire at the age of 36. He would never aspire seriously to any josition, "not even mayor of a tiny dump of a village."

Although Coluche can never resist an old gag, it was with a remarkable absence of vulgarity that he defended his campaign to redicule the whole business of presidential candidacies.

He would not vote himself in the final round. Asked if he made any distinction between President Giscard and M. François Mitterrand, his Socialist rival, Coluche stated firmly: "Of course, one is going to win and the other is going to lose."

Who among the main candidates was likely to suffer most as a result of the Coluche vote? "Me," he replied.

DEPUTY PM EMERGES AS FRONT RUNNER AT PARTY CONGRESS

Calvo Sotelo expected to lead Spain

BY ROBERT GRAHAM IN MADRID

SPAIN was expected to have a new Prime Minister by late last night or early today. He is Sr. Leopoldo Calvo Sotelo, Deputy Premier in charge of economic affairs in the outgoing Government. The announcement by the King was awaited following the endorsement of Sr. Calvo Sotelo's candidature at the second congress of the ruling Union de Centro Democratico (UCD) party, which ended in Palma, Majorca, early yesterday.

Sr. Calvo Sotelo was the man proposed to the party by Sr. Adolfo Suarez when the latter announced his resignation on January 29. However, he was directly opposed by seven out of the 35-man executive.

The objections came from the so-called "critical" sector of the party representing the Catholic Right wing. They felt Sr. Suarez had foisted Sr. Calvo Sotelo on to them with the intention of keeping the seat of power warm while Sr. Suarez waited in the wings. They also wanted to emphasise that, to obtain their support, Sr. Calvo Sotelo had to bring the party closer to its electorate: conservative, middle class Spain.

Sr. Calvo Sotelo did not figure prominently in the party congress. He was careful to try to remain aloof from the bitter divisions that have surfaced recently. The congres did not even endorse him formally as the new Prime Minister. Rather, it became clear immediately the congress opened that he was the only viable candidate and that it was futile to try to block him.

The real debate centred on the role and composition of the party executive. The result was to increase greatly the executive's power, making the Premier beholden to it.

At the time it was agreed to break up the offices of head of government and head of the party. Sr. Suarez had been both party leader and Prime Minister, giving him enormous power, further increased by the prestige he could claim for having been a key factor in winning two general elections for the party.

By breaking this power, Sr. Suarez's critics have achieved one important aim of their campaign to make the party more democratic. In this, they had the support of the Liberals.

The new party leader, elected early yesterday, is Sr. Agustin Rodriguez Sahagun, the first civilian Defence Minister. He is a relatively neutral figure, and the only other name seriously considered for the premiership. However, Sr. Landelino Lavilla, a rival candidate put forward by the critical sector, obtained a bigger share of the vote than expected.

New statutes were also approved for the party executive, expanding its size to 40. The right-wing Catholic element within the party has obtained seven of the 37 elected seats. Two-thirds of the delegates at Palma were willing to support the centre-reformist line but those who want to see the party taken away from Sr. Suarez and his friends and be less progressive have increased their strength.

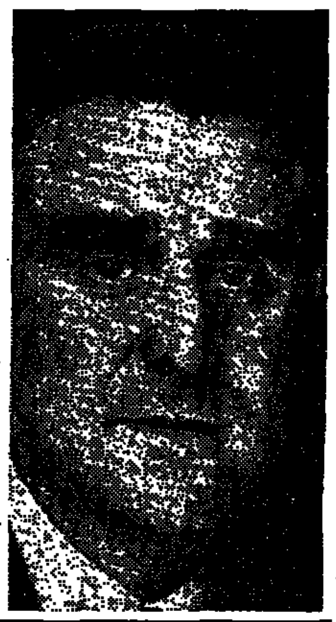
Sr. Lavilla has clearly staked his claim as an alternate leader within the party and, unlike Sr. Suarez or indeed Sr. Calvo Sotelo, does have a clear ideology of the traditional conservative right.

Throughout the debates, the party never really defined itself and this congress has done nothing to reduce its heterogeneity. The Left-wing, Social Democrat element could still break off and drift towards the Socialists. The Right, which claims to speak for a majority of the 166 UCD Deputies in Parliament, can create havoc with legislation if it decides that laws are against its interests, as has been the case over divorce.

Those close to Sr. Calvo Sotelo maintain that he has sufficient confidence to cope with these tensions as Prime Minister. He wants to change no more than five Ministers and keep disruptions to a minimum, determined to have a government that lasts the two years to the general election in 1983.

However, it is not going to be easy. Sr. Suarez is still on the party executive and may have enough allies to ensure his return. But Sr. Calvo Sotelo, whose uncle was the Finance Minister who was assassinated in the run up to the Civil War, is an ambitious man and will want to assert himself over Sr. Suarez. Here, too, tensions could arise despite the flowing phrases of unity at the end of the congress.

Sr. Calvo Sotelo (above), in line for premiership. Sr. Sahagon (below), ruling party's new leader.



Murder protest strike halts Basque country

THE BASQUE country was paralysed yesterday by a one-day general strike called by all the political groups in the region except those openly supporting ETA, the militant separatist organisation. The strike was in protest at the assassination last week of Sr. Jose Maria Ryan, a Basque nuclear engineer, writes Robert Graham.

Sr. Ryan was kidnapped by ETA's military wing which demanded the destruction of the Lemoniz nuclear power station near Bilbao against his release. Sr. Ryan was senior engineer at the $1.2bn plant which is due to begin operations in 1982. He was the fourth person in two years to be killed by ETA in connection with the plant. Iberduero, the privately run utility which owns the plant, refused to negotiate.

Basque nationalist politicians believe that Sr. Ryan's assassination is the greatest tactical error yet committed by the hardline members of ETA. They maintain that in its efforts to lead the anti-nuclear fight in the Basque country, ETA has made it more, not less, likely that Lemoniz will function.

More importantly, ETA has further isolated itself, by being unable to climb down on terms to release Sr. Ryan.

Setback for French car makers

French car manufacturers suffered a heavy blow on their home market last month as sales trailed by 20 per cent compared with a year earlier and imports advanced at the same rate, writes David White in Paris. In a declining market showing a drop of almost 12 per cent in new car registrations compared with January, 1980, importers pushed up their share from 20.3 to 27.8 per cent.

The motor manufacturers' association warned that the situation would get worse in the remainder of the first quarter but said the January drop was exaggerated by the loss of one working day compared with January last year.

Peugeot and its sister company, Citroen, suffered the sharpest decline of almost 26 per cent. Talbot, third branch of the Peugeot family, fared better with a 9 per cent drop. Renault's sales were 17 per cent down.

Portuguese ships idle

Almost 100 Portuguese merchant ships are lying idle in national and foreign ports because of a three-day strike in support of a pay claim by the seamen's union, writes Diana Smith in Lisbon. The 5,000-strong union will strike again in March if the agreement covering wages, pensions and other benefits which it negotiated last summer is not implemented at once.

Albanian rail link

Final preparations are being made to build rail link between Yugoslavia and neighbouring Albania, according to the Yugoslav news agency Tanjug, AP reports from Belgrade. It said the 54-mile line to be completed in 1983 will link Titograd with Shkodee making it Albania's shortest link to Western Europe.

Highest dam finished

The Soviet Union has finished building the highest dam in the world, according to the Soviet news agency TASS, AP reports from Moscow. The 984 foot high Nurek power station dam on the Vakhsh river in Tradjikistan is in an area subject to earthquakes.

Swiss prices rise

Switzerland's inflation rate, still the lowest in the industrialised West, rose to 5.1 per cent last month, chiefly because of a sharp increase in food prices, AP reports from Berne. The month-to-month rise in the consumer price index was 1 per cent.

Western banks prepare for China revival

BY TONY WALKER IN PEKING

YOU CAN'T open an account or even cash a cheque at the recently established Peking office of the Hong Kong and Shanghai Banking Corporation, but if you are a client you can get some advice about how to do business in China.

The world's great commercial banks are opening small representative offices in the Chinese capital against the day when they may be allowed to trade actively in China once more.

In the years before People's Liberation Army soldiers marched triumphantly through the streets of Shanghai back in 1949, the Hong Kong and Shanghai Banking Corporation had 14 branches in China. Since the Communist takeover, the Hong Kong Bank's sole representative has worked from dingy premises in a backstreet off Shanghai's Bund.

Symbolically, the bank's pre-1949 premises, a towering edifice on the Bund, is party headquarters.

In Peking, the Hong Kong and Shanghai Banking Corporation's office is located, like most of the small number of banks with representation here, in a room of the Peking Hotel.

"Ours is more a public relations operation, keeping in contact with Chinese organisations and answering questions," says Mr. Michael Langley, the Hong Kong Bank's representative in the Chinese capital.

Mr. Langley is sanguine about business prospects for the next several years because of the economic readjustment, but says: "In our case it is not a question of whether it is a good time or a bad time to open an office here. We really have to have representation in Peking because of the numbers of the bank's customers doing business with China."

Mr. David Markham of the Midland Bank Group, the only British bank with a Peking office, said it would be wrong for bank representatives to expect any surge in business as a result of opening offices here. He sees value in having representation in Peking against the day when there is an upturn in trade.

"I don't think there will be any miracles for the next few years," he said.

Other commercial banks with representation in Peking include, at last count: Banque Nationale de Paris, First National Bank of Chicago and the Bank of Tokyo. The Bank of America recently received permission to open here and has secured premises. Another U.S. bank, Chase Manhattan of New York, is reported to be on the way.

First Chicago has invested heavily in its China connection. In 1978, the bank divested itself of its business in Taiwan so it would be a better position to increase his contacts with China.

Mr. Chi Fong, an assistant vice-president of First Chicago, said the bank was "probably number two" in terms of U.S. financial institutions doing business with Taiwan, so it was an important decision by the board to sell its portfolio.

Asked whether this cost money, Mr. Chi said, laughing: "You bet."

The Bank of China, the overseeing body for foreign banks with representation in China, has apparently not set hard and fast rules which would prevent banks with business in Taiwan setting up offices in Peking, but

Bankers are cautious about new business in China in the immediate future—but many are returning to the country they left in 1949 and are preparing now for the dramatic opportunities they believe must eventually accompany China's new economic course.

in First Chicago's case the decision to divest itself of its Taiwan portfolio no doubt helped it to be the first U.S. bank given permission to open an office here.

Mr. Chi believes foreign banks will eventually be allowed to open branches in Peking. He says he is sure it is the wish of both the Bank of China and the People's Bank that this should happen. His own view is: "The sooner the better."

Mr. Daniel Gillen of Banque Nationale de Paris is not optimistic that this amount of freedom will be allowed. He points out that the bank has offices in several socialist countries, some of which have been open for several years, and yet has no branches in those countries.

Mr. Gillen allows the Chinese may be "more flexible," giving the examples of the branches operated in Shanghai by the Hong Kong Bank and the Chartered Bank. Like them, Banque Nationale de Paris, has opened a liaison office in Canton to handle business connected with the Canton Trade Fair.

Many banks have apparently applied for permission to open offices in Peking, but because of space limitations very few are being allowed in. The Bank of China can afford to be selective.

The pattern emerging is that Peking is giving preference to the biggest banks in the respective countries. Thus Banque Nationale de Paris, Bank of America and Bank of Tokyo were among the first to open. Symbolically, because of the extensive commercial relationship betwen Chinese and Japanese financial institutions, Bank of Tokyo was the first allowed in.

Kurds ignore pardon offer

TEHRAN — Kurdish insurgents were locked in renewed fighting yesterday with Government troops in the mountains of north-west Iran.

The Kurdish rebels, seeking autonomy, are tying down Government forces in a "second war" as the country fights the Iraqui invasion.

Refugees from the embattled Kurdish stronghold of Mahabad reported yesterday that defiant Kurdish guerrillas were ignoring Government offers of a pardon if they laid down their arms before tomorrow, the second anniversary of Iran's Islamic revolution.

Reuter

Belgian unions fight for BL shutdown deal

BY GILES MERRITT IN SENEFFE

CLOSURE day is March 31, but the lights have already gone out at BL's condemned Seneffe plant in southern Belgium. Inside the deserted factory, long lines of unfinished Minis stretch into the gloom.

Several hundred CKD cars were left in their various stages of assembly when the last shift downed tools four days ago. The cleaners have yet to come in, so little patches of trodden out cigarette butts around the lathes add a Marie Celeste touch to the scene.

Whether or not the Seneffe plant will spring briefly back to life for one more working week on March 2 depends on today's talks between union leaders representing the 3,000-strong workforce and the management. Yet it scarcely seems to matter, for the negotiations centre around the compensation terms that BL should offer its redundant workers.

The possibility that they might not work the remaining week of the plant's one week in four rhythm of short-time working appears a pathetic threat.

Technically, Seneffe is now "occupied" by the workforce, or so the small hand-painted signs displayed in the plant's front office windows claim. But in reality, according to pickets, it is merely a "surveillance" because the factory is already shut. Just down the road from the assembly plant is the Pre-delivery Inspection (PDI) building, where work is still going on preparing UK-built cars for the showrooms, even though the pickets are blockading all exits.

The atmosphere at Seneffe belies reports of strikes, sit-ins and angry marches bordering on riot. Yesterday most other factories in the Seneffe area closed in a one-day sympathy and solidarity strike, and the arrival of a group of political militants prompted paramilitary gendarmes to arrive at the factory gates. But the mood in the area is mainly one of despondency because the plant's closure will make one man in three in the region unemployed.

The Belgian trade union representatives—the men who can claim credit for Seneffe's strike-free, high productivity record—are realists. All they are now pressing for is a redundancy bonus of BFr 250,000 (£3,125) per man and a work-sharing deal that would give half-time work to 1,000 people at the PDI operation that is being spared the axe in order to process BL exports, rather than the 500 men due to remain.

As to the reasons for closing Seneffe, which was opened with such fanfare in 1965 as the British motor industry's beachhead for a Continental invasion, trade union leaders here now shrug their shoulders. "They never gave us a competitive new model to make," said one, "but I suppose it's all politics."

Poland's foreign earnings threatened

By Leslie Colitt recently in Warsaw

POLAND'S VITAL hard currency earnings from exports of non-ferrous metals to the West could be set back by reductions in the miners' working week, continuing labour troubles and a continued fall in world prices for copper and silver.

The head of the Finance Department of the Polish Foreign Trade Ministry, Mr. Zygmunt Krolik, said that last year was the first time silver had earned Poland more Western currency ($350m) than copper which brought in $300m.

Hard currency income from Polish silver exports more than tripled last year over 1979, mainly because of a boom in silver prices. Polish copper exports to the West also benefited from higher prices last year and earned $100m more than in 1979.

Copper exports were Poland's third largest source of hard currency after coal, which brought in $1bn compared with $1.1bn in 1979, and silver which is found in the copper ore. The fourth most important convertible currency earner was sulphur which brought in $200m last year, compared with $130m in 1979.

Mr. Wojciech Opalko, economic director of Impexmetal, which exports Poland's non-ferrous metals, said the country has a "realistic" goal to produce 340,000 tonnes of refined copper this year—a 5 per cent decrease from last year's output. The plan for 1980, however, was 390,000 tonnes of copper, so that the fall is actually much greater.

The target for Poland's copper exports this year is said to be a "few per cent" higher than last year when 150,000 tonnes were shipped abroad, mostly to the West. Mr. Opalgo said Poland should attain the higher level of exports because there will be "some decrease" in domestic copper consumption.

Copper miners are working only three shifts this year instead of the previous four, and they were guaranteed the five-day working week along with coalminers. Management has been trying to get them to work voluntary Saturday shifts, but the effectiveness of this appeal has yet to be seen.

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Anthony Robinson reviews a study of the Polish crisis and the options facing Western governments and banks

How both East and West must pull together

A CONSTRUCTIVE solution to the Polish economic crisis requires "the careful but committed collaboration of the Soviet Union and Comecon, of Western creditor governments and banks and of the Polish government and people," according to a new study "The Polish Crisis: Western Economic Policy Options."

Written by Professor Richard Portes, Professor of Economics at Birkbeck College, London and commissioned by the Royal Institute of International Affairs, the study is the most comprehensive study of the economic, financial and related political aspects of the Polish crisis to date.

CONVERTIBLE-CURRENCY DEBT, 1971-79
(U.S.$m, end-year)

	1971	1975	1976	1977	1978	1979
Commercial debt	420	6,547	9,159	10,393	13,430	16,000
of which:						
Liabilities to Western Banks	305	5,230	7,698	8,894	11,963	15,100
Officially backed debt	718	1,467	2,324	3,574	4,414	5,100
Guaranteed export credits	370	1,091	1,849	2,921	3,700	4,400
Other	348	376	475	653	714	700
Commercial assets	374	633	803	435	872	1,100
Gross debt	1,138	8,014	11,483	13,967	17,844	21,100
Net debt	764	7,381	10,680	13,532	16,972	20,000
Debt service as percentage of exports	—	30	42	59	79	92
Gross debt as percentage of exports	—	194	259	286	324	333
Memorandum:						
Annual Euromarket borrowing (gross flow)	—	475	577	100	404	855

Source: U.S. National Foreign Assessment Center

This analysis by one of the most respected specialists on the centrally planned economies and East-West economic relations covers many of the dilemmas and policy options now being discussed by Western governments and banks as they examine the means of re-scheduling the Polish debt.

Poland's economic position is "quite desperate in the short and medium run, but the longer run is not hopeless. On economic grounds, Poland is a classic case for a rationalisation and restructuring of debt maturities which would stretch them to bring production back up to capacity, re-organise the economy and re-allocate resources," the report says.

It argues however that the piecemeal, bi-lateral approach to creditors favoured by successive Polish governments to date is inadequate and unlikely to succeed. What is needed is "a multi-lateral, comprehensive re-scheduling of both officially backed debt and unguaranteed debt to the commercial banks."

According to Professor Portes, total gross debt at the end of 1979 totalled $21bn of which $15.1 bn represented liabilities to Western banks and $5.1bn was officially-backed debt, including $4.4bn of guaranteed export credits. Gross debt rose to around $24.5bn last year.

Western governments are now moving towards co-ordinating their policies in preference to merely accepting the "muddle through", bi-lateral approach favoured by the Polish government so far and aquiesced in by the commercial banks.

One of the greatest risks in the present situation is the danger of default by miscalculation. "Simple miscalculations in managing an extremely tight convertible currency debt and re-payments position could lead to default, perhaps only technical, but in such unprecedented circumstances that economists and politicians could not devise a solution to keep the lawyers at bay.

"The credit worthiness of other Comecon states would be affected and East-West trade would suffer greatly. Moreover, if Poland's imports from the West were cut off there could result economic chaos, suffering, political upheaval and overt, armed Soviet intervention. The involvement of East Germany could spill over into West Germany and so create the gravest risks to European security."

Having stated the mutual East–West interest in avoiding such a situation, Professor Portes warns that "any form of re-financing government-backed debt, which appears to comprise at most 40 per cent of the total, would probably prove inadequate without private sector support."

Timing could also be crucial. "It would be unwise to make any long-term deal with the present Polish leadership before the forthcoming Party Congress, which could radically change the political situation. It would be desirable to move very quickly thereafter, however, and it will take some time to negotiate a Paris Club agreement for such a large debtor, to complete discussions with the Soviet Union and to negotiate a rescheduling of the debt to banks.

"Meanwhile, Western and Eastern lenders will have to continue to finance Poland's imports and debt service on a quite unsatisfactory ad hoc short-run basis

The banks, meanwhile, "will not act until the intentions of Western governments are clear." Poland will also have to accept "certain conditions which creditors naturally require as safeguards and the Soviet Union will have to indicate the intention of Comecon countries to continue assisting Poland on a similar scale. The Soviet Union will have to realise that the West could not accept that the Soviet commitment fall as the Western commitment rose."

Professor Portes argues that much will depend on the willingness of both the Polish and Soviet authorities to avoid repressive measures

"If the Soviet Union were to intervene overtly, default would be quite likely. Western export-credit agencies and banks would no longer be willing to roll-over or refinance maturing debt and the Soviet Union would find it very difficult to meet Poland's obligations. Nor would Western public opinion be likely to permit a negotiated Soviet takeover of the Polish debt as if it were business as usual. The legal effects would then be felt with attachments of cargoes, ships and foreign assets."

Professor Portes . . . warning against miscalculation

As to the terms of re-scheduling, Professor Portes makes the point that American participation is essential. Up to now, the U.S. government has not participated in the series of Paris meetings of European government creditors. If the U.S. government agrees, however, comprehensive Western government talks could begin in March while the bank liaison committee, consisting of six representatives of major commercial banks, is due to go to Warsaw at the end of next month or early April, around the time of the Party Congress.

As a matter of practical economics, however, "governments should be generous in regard to maturities and grace periods.

As for the amounts involved the report calculates "the requirement for new money is likely to be around $4bn for 1981 with similar but declining amounts to 1986 . . . it would be pointless to carry through the exercise without leaving enough room for the imports necessary for full-capacity production and too tight a payments restraint could make a liquidity crisis out of an otherwise minor mistake."

Having strongly criticised past bad economic management by the Polish authorities, the report calls for tighter and more realistic economic policies in future.

"The first requirement is for a realistic plan for the period to 1986 which would permit as a current account surplus by that year . . . the plan would have to be supported by a programme including rationalisation of the price structure, especially foreign trade pricing, re-allocation of investment, modernisation of the private sector in agriculture and reforms of the economic system.

"It also requires a lengthy period of austerity with consumer price increases and stable living standards made somewhat more palatable by a better match of consumer goods supply to demand and some shift of investment into housing."

Sihanouk aims to lead new front

BY TONY WALKER IN PEKING

PRINCE Norodom Sihanouk, the former head of state in Kampuchea, wants China to arm a national front led by him against the Vietnamese in Kampuchea.

The prince, whose political career has been marked by a series of extraordinary zig-zags, has proposed a five-point programme for Chinese support against the Vietnamese-backed Heng Samrin regime in Phnom Penh.

Last year, Prince Sihanouk vowed not to become active in politics again. This was soon after he angered the Chinese by stating he might be prepared to return to Phnom Penh despite China's opposition to the Heng Samrin regime in power there.

In a statement issued in Peking, the prince, who is wintering in North Korea, said he had agreed to head a united front to fight the Vietnamese in Kampuchea.

He would do so if five conditions were met by the Chinese and the Khmer Rouge.

These were: that his country be referred to as Cambodia and not as Democratic Kampuchea; that the flag and national anthem should be those of his former state; that China must arm the united front; that if his force won, Cambodia should be neutralised, and that an international control commission should be set up to enforce this neutrality.

In his letter, Prince Sihanouk did not say who had asked him to head the united front.

The prince's offer comes at a time when the Chinese are showing considerable flexibility over which force or group of forces they may be prepared to back in the Kampuchean struggle.

Peking has made it clear it would be prepared to back a "third force," if one emerged. At the same time, it has subtly distanced itself from Pol Pot, whom Peking now appears to accept is universally hated in Kampuchea as the man who presided over a programme of genocide.

Prince Norodom Sihanouk

Whether Prince Sihanouk would be generally accepted as a figurehead for a united front is another question. Diplomats here say that he may have been pushed into declaring his interest in leading such a force because Son Sann, who heads a small guerilla force in Kampuchea is now being suggested as a possible leader of a united front.

At the weekend, it was reported that Khieu Samphan, Prime Minister of the deposed Khmer Rouge Government, had offered to step down in favour of Son Sann.

AFGHANISTAN'S GUERRILLA WAR

Why Pakistan and the USSR favour talks

BY DAVID DODWELL RECENTLY IN PESHAWAR

AFGHAN guerrillas just back from a grim David and Goliath contest with Soviet helicopter gunships in the snow-bound passes of eastern Afghanistan takes a dim view of talk of a diplomatic breakthrough in the war.

All these rugged mountain tribesmen see ahead is a long, grinding war of attrition.

"The Russians will only be ready to negotiate after they are forced to by military means," said one Mujahideen leader in Peshawar as he sat in his headquarters surrounded by wall maps and trophies of war. "Russia will only concede if it faces a great military loss. We are giving them a hard time, but that sort of loss is still a long way off."

It is hard to argue with this view of the limited scope for useful talks. Three months of tightrope diplomacy may have edged Pakistan to the brink of negotiations with the Kabul regime. But discussion about the substantive issues — the withdrawal of Soviet troops and self-determination for the Afghan people—is still a long way off.

In Pakistan, President Zia Ul-Haq's troubled regime is keenly aware that the conflict along its Western border can only aggravate its own unresolved political problems. The precarious economic and ecological balance in Pakistan's impoverished North West Frontier province is strained by the 1.4m Afghan refugees and their 2m head of cattle. It may also only be a matter of time before Soviet troops, frustrated at the sanctuary offered by Pakistan to Mujahideen bands, strikes out across the border.

Talks may, however, relieve some of the growing pressures. They could not only give Pakistan an illusion of progress but may also act as a brake on the wilder excesses of Soviet troops in Afghanistan.

Pakistan insists that talks are based on the four principles, laid down first by the Islamic nations early last year, necessary for a settlement of the conflict in Afghanistan. These are:

- Immediate and total withdrawal of Soviet troops from Afghanistan.
- Respect for the Non-aligned and Islamic nature of Afghanistan.
- The right of self determination for the Afghan people.
- Return of refugees to Afghanistan in safety and honour.

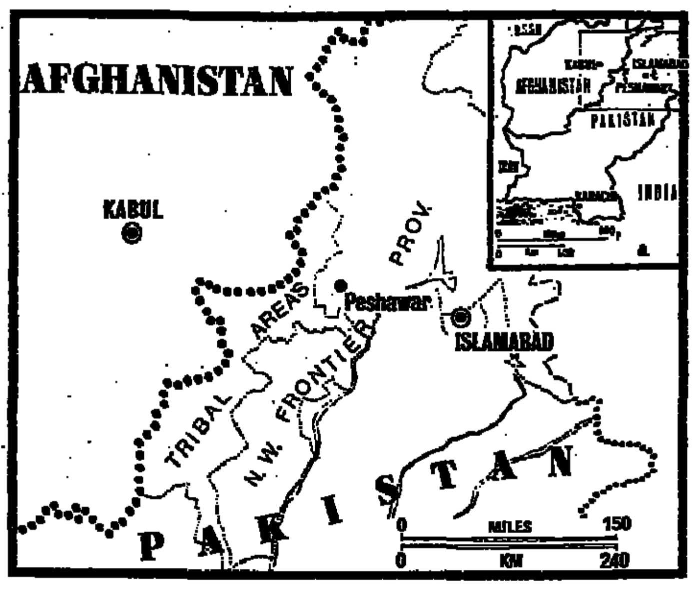
It is taken for granted that any "immediate and total" withdrawal would mean death (literally) for members of the government of Babrak Karmal—and that Moscow would never let this happen.

Said the Mujahideen leader: "We only ask that the Soviets observe the first principle. The Afghan people will observe the other three."

If talks are eventually arranged—and Mr. Agha Shahi, Pakistan's Foreign Minister, insists they can be—Islamabad is openly willing to take the four principles as a starting point over which some compromise is inevitable. Moscow will inevitably demand that Pakistan seal its border to guerrilla operations and clamp down on the Mujahideen based around Peshawar — demands that Pakistan is incapable of meeting.

While it was clearly Soviet diplomats in Islamabad who took the initiative which prompted Mr. Agha Shahi to announce in early January that a "new phase" had been entered in which "favourable conditions" had been created for talks to be arranged between Afghanistan, Pakistan and Iran, it has been Pakistan that has forced the pace.

The presence of Soviet troops along its western border has aggravated its deep sense of isolation and entrapment at a time when India, its long-time enemy, has been rearming on a substantial scale.



Many Afghan refugees have been settled in Pakistan for more than two years, and are beginning to put down roots. Clashes between local tribesmen and the refugees have been reported, and many government and aid officials are amazed there have not been more.

Instability in Pakistan's western border regions raises fears of cross-border political subversion—something General Zia Ul Haq's unpopular military government can scarcely afford. It also revives fears that the notoriously independent Pathan tribes which span the region east and west of the official border with Afghanistan will revive demands for the creation of an independent homeland—Pashtunistan.

The Pakistan government also faces mounting economic strains in accommodating the refugees. While aid agencies are contributing about $100m a year, the financial burden on Pakistan is at least as large.

At one time, Pakistan might have turned to the U.S. to help it out of its corner. Some of the generals close to Zia were willing to jump back into bed with the U.S. If it meant they would get large scale military aid to replace their now obsolete hardware.

But Mr. Agha Shahi seems to have won majority support for his view that non-alignment, coupled with close support from the Islamic bloc, is a more rational aim.

Alignment with the U.S. would not only create a superpower confrontation along Pakistan's already volatile western border, but would deepen the country's isolation from its neighbours and alienate a number of friends in the Islamic movement.

Mr. Agha Shahi is convinced Pakistan must find a way of *living with the regime in* Kabul—a regime which, he argues, will probably always be close to the USSR for sound economic as well as political reasons.

At the same time, his country's long term stability will be won by maintaining close ties with the Islamic nations to its west. Pakistan sees itself with an important role in this grouping—an attractive alternative to its subservient role in a South Asian region dominated by India.

While it is comparatively easy to see why Pakistan is eager to find a stable working relationship with Kabul, though, it is more difficult to see the motives for Moscow's conciliatory signals at this time.

As their leaders privately acknowledge, the Mujahideen have not yet forced them to the negotiating table, irritating though their guerrilla activities might be. Neither the fact of recent guerrilla successes nor the possibility that they may soon be using surface-to-air missiles supplied by Egypt against the formidably effective Soviet helicopter gunships, nor yet the prospect of an imminent spring offensive by the guerrillas, can possibly justify such a shift.

The almost universal criticism of the presence of 80,000 Soviet troops in Afghanistan may have prompted action. Defeat in the UN General Assembly in November was expected, but the size of the majority backing condemnation of Soviet action was surprisingly large. At the Islamic summit less than a month ago, the criticism of long-time allies like Iraq, Syria and the PLO must have been painful.

Mr. Agha Shahi is going to Delhi's Non-Aligned Conference hoping for endorsement of the motions passed against Moscow in the UN and the Islamic summit. It is clear that the backing given to Moscow by India, the hosts of the conference, and Cuba—equivocal though this support has been—has jeopardised the reputation of these countries in the eyes of many non-aligned partners, and may even have jeopardised the integrity of the movement as a whole.

Singapore Minister lashes India and Cuba

By David Dodwell and K. K. Sharma in New Delhi

Singapore's Foreign Minister, Mr. Suppiah Dhanabalan, last night launched a blistering attack on Cuba and India, shattering attempts by the Indian Government to pour oil on troubled waters at the conference of Foreign Ministers of the non-aligned movement which opened in New Delhi yesterday.

Referring to the Havana summit of the non-aligned movement two years ago as the "lowest point, the nadir" of the movement's history, Mr. Dhanabalan attacked Cuba, the chairman of the conference, for "manoeuvring the expulsion of Democratic Kampuchea" from the movement.

"I do question whether such a country can claim to be non-aligned," he said. "The leadership of our movement by a country so openly committed to promoting the interests of its superpower patron has seriously eroded our credibility and effectiveness in international affairs."

He attacked India for actions "inconsistent with the duty of impartiality expected *of a chairman*"—*a reference* to the Indian decision to allow the ambassador of the Government of Heng Samrin in Kampuchea to attend the inaugural session of the conference.

"We are disappointed that a country like India, which claims to uphold the principle of non-interference and non-intervention in the internal affairs of other states, should have not only recognised a puppet régime installed and maintained by foreign forces, but given its representatives a place among those invited to witness the opening of the conference."

S. Africa withholds more gold

BY QUENTIN PEEL IN JOHANNESBURG

THE South African Reserve Bank withheld another 66,000 ounces of gold from the world market in January, according to the latest figures for South African gold and foreign exchange reserves.

But Dr. Chris Stals, Senior Deputy Governor of the bank, denied reports that South Africa had actually bought gold.

Bullion dealers in London report that the Soviet Union also seems to have continued withholding part of its production from the market last month, as part of a bid to keep up the gold price, which fell below the $500 per ounce level in January for the first time since last May.

The volume of South Africa's gold holding rose from 12.153m oz to 12.219m oz in January, although the value at market-related prices fell from R4.8bn to R4.3bn (£2.6bn-£2.3bn). In the same period, foreign exchange assets rose by R170m (£94m) to R583m (£323m), because of the continuing balance of payments surplus, and increased offshore financing of trade credits.

South Africa has been following a more flexible gold marketing policy for about a year to help keep up the gold price.

The latest figures mean that in the past 12 months, South Africa has added almost 2m oz of gold to its reserves. On only three occasions—in April, November and December last year—has the reserve bank actually sold more than the month's production from the gold mines—and then only small quantities.

But the rate of increase of the South African gold holding, by volume, has slowed down markedly since September. Between January and September, the reserves increased from 10.228m oz, to 12.027m oz, since when the increase has only been 192,090 oz.

Dr. Stals said that most of the production withheld from the market had been in the last few days of the month, when the gold price was weak. "We have never bought gold in the markets," he said.

The Reserve bank was able to withhold gold when its foreign exchange receipts were good, he added. One reason for the excess sales at the end of last year was because December is seasonally a time of heavy foreign exchange payments.

The likelihood of a narrowing balance of payments surplus in the current year suggests that the bank may have less room for manoeuvre in its gold sales in coming months.

- The nine-month-old school boycott by black pupils in the Cape peninsula has been provisionally abandoned, on condition the South African Government *improves facilities* at black schools and releases detained students.

The decision was taken at a mass meeting in Guguletu, the black township outside Cape Town. Some 23,000 pupils in Cape Province are due to return to school.

Fighting flares in Zimbabwe's new Army

By Our Salisbury Correspondent

ONE soldier was killed and two women injured when fighting broke out between rival factions in Zimbabwe's newly integrated National Army. It was the first time that unity in the Army has broken down under the weight of tribal and political tensions.

The injured women were passengers on a train that was shot at near the Army's Llwellin Barracks, 12 miles from Bulawayo, at the weekend.

The Army is made up of rival guerrillas loyal to Mr. Robert *Mugabe, the Prime Minister*, and Mr. Joshua Nkomo, minister without portfolio.

Emigration from Zimbabwe rose to a record 17,240 last year, according to official figures released yesterday. In the first nine months of independence, 14,300 people left Africa's newest state. It is believed that at least 70 per cent were whites.

Because the rate of immigration into Zimbabwe rose 75 per cent from 3,650 in 1979 to 6,407 last year, the net loss of people at 10,833 was not a record total, and was slightly below the 1978 net outflow of 11,820.

Many of the immigrants are believed to have been black Zimbabweans returning to their country following independence.

Kampala police stations raided

KAMPALA — Seven police stations were attacked in a coordinated raid yesterday as violence flared again in the Ugandan capital.

Residents said there were 30 big explosions during the night attack. Army officers confirmed two of the raids and residents said there were five other attacks in which large quantities of weapons were stolen.

One constable was killed as uniformed and plain clothes men attacked the police station at Kawempe, four miles from the centre of Kampala.
Reuter

Chrysler $400m expected to be available next week

BY IAN HARGREAVES IN NEW YORK

CHRYSLER, the ailing U.S. motor company, should be able to gain access next wek to its latest $400m (£170m) slice of Government-guaranteed loans.

According to those involved in the negotiations, about half the company's 150 bankers around the world have now agreed formally to the deal, which involves their writing off most of the company's bank debt in return for a small cash payment.

Other agreements are said to be arriving steadily and Salomon Brothers, Chrysler's financial adviser, has listed the $400m guaranteed 10-year Chrysler notes for issue to the public next week.

Chrysler, meanwhile, has started preparing its dealers for a return to normal sales conditions by telling them that it will definitely drop a wide-ranging programme of sales incentives by the end of this month.

The incentives programme, much the most generous in the industry, offered customers cut-price loans and lower prices worth up to $1,000 per vehicle.

The programme has been successful in reviving Chrysler sales in the last six weeks against the general trend, for the industry, but means that Chrysler is losing a large sum on every car it sells.

At a dealer conference in Los Angeles over the weekend, Chrysler made it clear to its dealers that its ability to avoid another cash crisis depends upon its success in continuing to improve its sales performance without the aid of special rebates.

Ford announced yesterday that it would spend $55m this year to convert its assembly plant in San Jose, California, to production of its small Escort-Lynx cars.

The Escort-Lynx will replace Mustang and Capri lines, indicating the difficulties which even those cars, relatively small by American standards, are having in current market conditions.

Japanese importers have in the last year claimed over half the California car market.

Burger angers liberties union

BY DAVID BUCHAN IN WASHINGTON

MR. Warren Burger, Chief Justice of the U.S. Supreme Court, yesterday drew strong criticism from the American Civil Liberties Union over his call for a curb on appeals against criminal convictions. The Chief Justice made the suggestion in a strong speech about crime to the American Bar Association at the weekend.

The speech was politically in tune with the Reagan Administration and the Chief Justice said crime had created a reign of terror in U.S. cities. Fighting it," he said, "is as much a part of our national defence as the budget of the Pentagon."

What drew the fire of the civil liberties union was Mr. Burger's complaint that prisoners had limitless means to continue appealing against their convictions.

Prisoners, he said, should have just one chance to appeal against conviction up through the judicial system. The civil liberties union countered that this would prevent any review of misconduct on the part of prosecutors and police.

Mr. William French Smith, the Attorney-General, has said, the new Administration will give top priority to fighting street crime. He also hinted that the previous Administration's concern about "white collar crime" such as fraud and embezzlement, might be downgraded.

However, the Administration will be restrained by the constitutional fact that even serious crime, like murder, is a state, not a federal responsibility.

Mr. Warren Burger: curb urged on appeals

Stockman takes knife to railways

BY OUR WASHINGTON CORRESPONDENT

ELIMINATION of Saturday postal services and large cuts in public subsidies to Amtrak, the nationally organised rail network, are among the latest public spending reductions being considered by the Reagan Administration.

Mr. David Stockman, the Budget Director, has prepared a list of spending cuts that are believed to total nearly $40bn (£17bn) in the current and 1981-82 budgets. These range from cuts in foreign aid, domestic welfare programmes, Federal subsidies to the arts, to Government support for traders via the Export-Import Bank. They will be proposed formally to Congress on February 18.

Documents circulating from Mr. Stockman's office say: "Passenger trains, while part of the country's heritage and history, have little place in a federal budget which is heavily in deficit." The 1980-81 budget deficit is expected to be more than $60bn.

Amtrack officials argue that nowhere in the industrialised world do rail passenger services completely pay their way. They say that the planned cuts in public subsidy would vastly increase rail fares even in the heavily used east-coast corridor.

The Reagan budget-cutters say that cutting back the postal service to a five-day delivery would be "a symbol of the fiscal austerity" which the Administration is imposing. Postal workers' unions are expected to resist reductions in federal support. Negotiations for a new wage contract are due to begin in March.

Falkland talks to resume

BUENOS AIRES—Argentina and Britain are to resume negotiations on the future of the Falklands Islands in New York later this month, the Argentine Foreign Ministry announced yesterday.

A communique said the talks would start on February 23 and the Argentine delegation would be headed by Sr. Carlos Cavandoli, Under-secretary for Foreign Relations.

Argentina has claimed sovereignty over the archipelago since 1833, when a small Argentine garrison was evicted by the Royal Navy. In 1967 the United Nations recommended that both countries conduct negotiations to settle the dispute.

Surrender of the Falklands to Argentina is opposed by the 1,800 inhabitants, who last month asked Britain to suspend any negotiation with Buenos Aires for 25 years.

AP

Brazilian inflation rate up to 110.9% in January

BY RIK TURNER IN SAO PAULO

BRAZILIAN inflation for the 12 months to the end of January was 110.9 per cent, an increase of 0.7 per centage points on the previous month's figure, according to the Getulio Vargas Foundation, the official organisation for economic data.

Despite the increase economists at the foundation see hopes for a decline in the inflation rate in the coming months. They say that the overall monthly inflation figure, derived from whole sale and retail prices and prices in the construction industry, was higher than the individual figure for wholesale prices.

The wholesale figure has a delayed effect on other elements in the calculation, so an eventual decline can be expected, if the tendency in wholesale prices continues.

William Chislett reports from Mexico City: The Mexican Government's goal of reducing inflation below last year's level of 30 per cent has suffered a setback with the Central Bank's announcement that the national consumer price index rose by 3.2 per cent in January. The 1980 monthly average was 2.48 per cent.

The January figure confirms the fears of Government economists that inflation, which is spiralling, in large part because of pressure of demand by the booming oil-driven economy, is likely to be in the 30 to 35 per cent band.

The Government, however, remains firmly committed to its priority of achieving sustained economic expansion since this is the only way of alleviating massive unemployment.

Renault to supply Mack trucks in Britain

By John Griffiths

RENAULT'S BRITISH commercial vehicles subsidiary, Renault Trucks and Buses UK, has signed an agreement with Mack Trucks of the U.S. under which Renault will distribute some models of the American trucks in Britain.

In addition, the agreement includes provision for Renault to provide parts and service for the owners of about 150 Mack trucks already in the country, supplied by Commercial Transport Services, which went into receivership.

The first truck to be made available is a 24 tons gross weight chassis cab designed for tipper, tanker and mixer applications. It could be followed by a heavy duty off-road dump truck. But there is no intention to bring into the UK any tractor units — a market to which Renault already caters.

Both Renault and Mack emphasised yesterday that the agreement applies only to the UK. However, Mack supplies about 800 trucks a year to all European countries, and further collaboration with Renault is not excluded.

Recently, Renault Vehicles Industriels, Renault's commercial vehicles arm proper, plugged the last national gap in Mack's European network when it set up a parts and service operation for Mack in Austria.

Renault's links with Mack — which last year was the U.S. leader in heavy duty trucks with 20 per cent of the market — already extend to a 10 per cent stake in the U.S. company, the other 90 per cent of which is held by Signal Companies, the San Diego-based industrial conglomerate.

Renault markets French-built medium-range diesel trucks in the U.S. through Mack.

It is a sector which has gone largely ignored by domestic U.S. makers, who traditionally have met medium trucks demand with petrol-engined vehicles. The makers are now, however, moving quickly to fill the gap. Last year Mack allowed Renault to sell 2,000 such trucks in the U.S. — badged as the Mack Midliner. This year, it is forecasting sales of between 3,500 and 4,000.

UK medicine makers report record surplus

By Sue Cameron, Chemicals Correspondent

BRITAIN'S pharmaceutical manufacturers had a record breaking trade surplus of £522.9m last year — 29 per cent higher than the 1979 figure of £405.9m.

The provisional figures, released yesterday by the Association of the British Pharmaceutical Industry, show that UK exports of medicines totalled £745.4m in 1980 — 16.7 per cent up on the previous year's figure of £638.7m.

Meanwhile, pharmaceutical imports to the UK fell by 4.4 per cent from £232.8m in 1979 to £222.5m last year.

The association said the fact that the UK pharmaceutical industry had achieved a record surplus in a year when the pound was high was "particularly encouraging."

"It demonstrates once again that the quality of British medicines is well respected internationally and that the industry is able to compete effectively in highly competitive world markets," the association added.

EEC probe on U.S. oil catalysts

BY GILES MERRITT IN BRUSSELS

THE EUROPEAN Commission has opened an anti-dumping probe into U.S.-produced catalysts used in the cracking of crude oil, following a complaint by European produers that the U.S. products are being sold at a dumping margin of between 34-61 per cent.

The European Council of Chemical Industry Federations (CEFIC) said imports by the EEC of the products climbed from 100 tonnes in 1978 to 330 tonnes in 1979 and 1,010 tonnes in 1980 and that cheap U.S. prices and rising exports threatened the European industry.

The investigation of American-made fluid catalysts based on silicon oxide and aluminium oxide is only the latest in a series of dumping allegations being made by the EEC petrochemicals industry against U.S. competitors. Vinyl acetate monomer and styrene monomer produced in the U.S. now carry provisional anti-dumping duties of 10.6 per cent and 4 per cent respectively, as a result of Commission probes, while phenol, acrylonitrile, paraxylene and orthoxylene are currently the subject of EEC anti-dumping procedures.

The complaints are all being brought before the European Commission by CEFIC, the Brussels-based umbrella organisation that groups EFC chemical industry federations and which last year promised a "tidal wave" of dumping complaints against the U.S. industry.

For in addition to the dumping issue itself, relations between European producers and their American counterparts have been embittered by the unresolved issue of U.S. price controls on natural gas that are claimed to give U.S. petrochemical companies a major price advantage of around 20 per cent on gas derived feedstocks.

Talks aimed at settling the two-tier gas price problem, as the artificially low U.S. prices and higher world market prices have been labelled, are currently being held in Washington between European Commission officials and the U.S. Government.

The talks are also taking place against a background of conflicting reports on the new Reagan Administration's attitude to the problem that range from lifting the gas price controls shortly to extending them past the scheduled 1985 deadline.

Sir Roy Denman, EEC director General for External Affairs, is leading the community delegation.

The meeting is being led on the U.S. side by Mr. William Brody, the Trade Representative. The talks will give EEC officials their first opportunity to meet members of the new Reagan Administration.

Taiwan moves to halt counterfeiting

BY ROBERT KING IN TAIPEI

TAIWAN has announced a crackdown on spurious labelling and counterfeit products in all categories.

Mr. H. K. Shao, director of Taiwan's Board of Foreign Trade, said last week that, from March 1, teams from the Industrial Development Bureau and the Board of Foreign Trade will conduct joint inspections of all factories wishing to export. Trading companies with export plans will be allowed to buy only from these factories.

The move will hurt textile companies, he said, in reference to the recent outcry over the discovery of woollen goods, reportedly bearing "Made in Britain" marks by a group of visiting parliamentarians.

While insisting that, to his knowledge, the mark in question "was not a source of origin mark," Mr. Shao indicated that, from March 1, Government teams will inspect all outbound textile production before an export licence is issued.

The board is also proposing a ban on imports or exports by offending companies for at least six months, cancellation of company registration, and a referral, in more serious cases, to the courts which, up to now, have offered the guilty party a choice of six months in gaol or a fine of $250 (£106).

"We're trying to convince the courts to impose more severe punishment than the sentence or fine," Mr. Shao said, adding that importing countries have an equal responsibility to deal with those companies ordering or importing the spurious goods.

It is unclear, however, whether the talk of new tough measures will have any substantial effect on the trade in spurious goods, of which the actual size is unknown.

Mr. Shao claimed that measures taken earlier this year have slammed the brakes on exports of counterfeit automotive parts, another sensitive item, but said the Government was taking an open-ended approach to a full-scale routing out of violators.

"We have to give the manufacturers some time to adjust their operations," he said.

Boeing may launch stretched 737

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BOEING of the U.S. may decide to launch a new, stretched version of its small 737 jet airliner by the end of March.

This aircraft, called the Dash 300 version of the 737, would seat up to 128 passengers, 12 more than in the present model. It would also have improved engines, with greater fuel efficiency.

Mr. Tex Boullioun, president of Boeing Commercial Airplane Company, the airliner manufacturing section of the Boeing group, said in Seattle that "initial airline response and technical progress are meeting our expectations, and I believe the probability of an Advanced 300 go-ahead by March is encouraging."

Mr. Boullioun is confident that enough airlines are interested in the new model to convince Boeing it is worth spending up to $250m (£160m) on launching it. The company foresees a market for up to 400 Dash 300s through the next decade.

Boeing's confidence in the Dash 300 stems not only from its encouraging market studies, but also from the continuing strong sales of the present 737. Last year, the 737 out-sold all other Boeing models, and total orders now stand at more than 865 aircraft, of which 715 have been delivered.

Boeing is also now ready to look at other new programmes because of the success of its new 757 twin-engined short-to-medium haul jet and its bigger 767 semi-wide-bodied airliner. Sales of the 757 stand at 127 aircraft, with another 57 on option, while sales of the 767 stand at 166 aircraft, with another 135 on option.

Both new ventures are moving ahead strongly, with further big orders under negotiation, especially in the U.S.

● Maersk Air of Copenhagen has bought two de Havilland aircraft Dash 7s with options for an additional two. The first aircraft will be delivered to Maersk in July.

The Maersk agreement brings the total order book for Dash 7s in Scandinavian countries to six. Greenlandair operates two while Wideroe of Norway will take deliverey of its two aircraft in the next two months.

Dash 7s are flying with 16 operators worldwide. Deliveries, orders and options now total 125.

Alia offers big hotel contract

By Rami G. Khouri in Amman

ALIA, the Jordanian state-owned airline, is offering a large new hotel project to international contractors who can provide a full turnkey service as well as lining up complete financing for the scheme.

It has issued tender announcements asking for qualified international companies or consortia to submit prequalification and bid documents for the full financing and design, construction, equipping, furnishing, commissioning and maintenance of a four-star, 300-bedroom hotel at the site of the new Queen Alia international airport being built 30 kilometres south of Amman.

The successful bidder must be able to secure full financing.

Tender documents are available from the tenders committee at Alia's head office in Amman.

Ireland's exports increase by 18.6%

BY STEWART DALBY IN DUBLIN

EXPORTS from Ireland in 1980 have exceeded the Irish Export Board's expectations and are estimated to have increased by 18.6 per cent in value terms for the year over 1979.

Because of the impact of the world recession on Ireland's main trading partners—particularly Britain, whose dominant share of Irish trade has been in decline for several years—the board expected the country to experience a difficult year in its international trade.

The board—a semi-state body heavily involved in the promotion of exports—feels that the 18.6 per cent improvement was a "solid" achievement at a time when world trade as a whole rose by only 3 per cent and, even if the Republic's trade rise did not match domestic inflation, which rose by 18.8 per cent.

The total value of exports was I£4.2bn, and the estimated growth in volume was 9 per cent for the year compared with 8 per cent in 1979.

Nevertheless, Ireland still experienced a trade deficit for the year, with imports estimated at I£5.2bn to I£5.4bn. This represents an 8.8 per cent rise in value over 1979 and a 7 per cent increase in volume over the previous year.

The Board noted that the downturn of the Irish economy affected the import performance and helped narrow the perpetual trade deficit. The deficit, at just over I£1bn compared with a deficit of I£1.4bn in 1979. Ireland's deficit is largely attributable to its dependence on imports of energy and heavy manufactured goods.

The solid export performance was not entirely due to the emerging currency advantage which Ireland enjoyed with Britain.

When it joined the European Monetary System (EMS) in March, 1979, it quickly involved a cutting of the historic parity link with sterling. Since then, sterling has strengthened considerably with Britain still outside the EMS, while the Irish pound has held its own within the EMS.

Almost entirely due to the strength of sterling and not the weakness of the Irish pound a 30-35p difference has opened up between the two currencies.

In theory this should have meant cheaper Irish exports to the British consumer, but in fact, exports to Britain increased by only 8.8 per cent in 1980, well below the 18.6 average rise. Britain's share of Ireland's exports dropped from 46.6 per cent in 1979 to 43 per cent in 1980.

The slowdown in growth of sales to Britain was mostly due to the severe recessions in Britain.

Ireland's strength in exports stemmed from agricultural sales. Prices for agricultural goods abroad are, in large, measure, fixed in Brussels under the Common Agricultural Policy (CAP). Because prices were better at the beginning of last year than they were later on there was considerable destocking. Exports of meat, the chief constituent of the food group, increased by 41 per cent in 1980. Overall the two main agricultural categories—food, drink and tobacco, and live animals—increased by 14 per cent over 1979.

Manufactured goods—excluding food, drink and tobacco—maintained their usual position as the largest category of Irish exports, increasing by between 22 and 23 per cent. Much of this growth came from the Continental European markets.

The outlook for this year is clouded. Trade officials predict Ireland could get the benefit of its cheaper pound in terms of sales to Britain, but this could be more than offset by a worsening recession in Britain.

Murdoch wages old-fashioned war on the New Journalists

DAILY NEWS

NEW YORK POST

IAN HARGREAVES reports from New York on the trans-atlantic circulation battles of Mr. Rupert Murdoch (right). His afternoon newspaper, the New York Post, has launched a morning edition to counter the Daily News, which started an afternoon edition edited by Mr. Clay Felker (left), a former Murdoch associate. So far the struggle has cost millions of dollars, with no victory in sight.

"IF THE Daily News tries putting out an afternoon edition I will put out a morning paper and we'll have a good old-fashioned newspaper war. Nobody will win, but they'll know they've been in a hell of a fight."

The speaker was Mr. Rupert Murdoch, owner of the New York Post. The place, the New York flat of Mr. Clay Felker. The date, November 20, 1976.

Four years later, Mr. Murdoch's prescience has been more than adequately confirmed. The Daily News, since last summer, has had an afternoon edition. The Post has a morning edition. And no one is winning.

The Post, insiders say, is losing between $250,000 and $300,000 a week, for a probable loss this year of over $10m. Its compensation, according to Mr. Roger Wood, its executive editor, is that it has just called for an official audit of a 734,000 daily circulation, up from 650,000 last summer and 500,000 copies a day when Mr. Murdoch bought it in 1976.

The Daily News, owned by the Tribune group of Chicago, ended 1980 just in the black, its executives say. But the afternoon edition, expensively launched and staffed, is selling only 100,000 copies a day, while the morning circulation is static or falling, at around 1.5m, down from 2.1m in 1970. The talk among publishers is that the News has already spent almost half its $20m two-year launch budget after only six months.

"Their target was 300,000 sales and it has to be costing them," says Mr. Tony Hoffman, an analyst with A. G. Becker. "They misunderstood what kind of paper returning travellers were looking for and their reluctance to give it up is reluctance to give that circulation back to Murdoch."

Indeed, a good, old-fashioned newspaper battle, but one into which a cloud of nerve gas has been pumped by the fact that Mr. Felker, the man to whom Mr. Murdoch made his prophecy in 1976, is now running the News's afternoon edition.

Although Mr. Felker denies ardently that he took the job to settle old scores with Mr. Murdoch—"he is a very able publisher" was as far as he was prepared to discuss him with The Financial Times—there are plenty of scores on which settlement could be described as overdue.

Soon after the 1976 meeting, Mr. Murdoch snatched from Mr. Felker control of his cherished New York Magazine and later repeated the act by buying Mr. Felker out of the radical weekly Village Voice.

At New York Magazine, Mr. Felker and a remarkable collection of writers, including Norman Mailer and Tom Wolfe, had created "the new journalism," as it is called in U.S. journalism schools. It was actually about as new as Daniel Defoe in its application of the techniques of fiction writing to reporting, but it was executed ably and at times quite brilliantly.

So the Murdoch raid, resisted fiercely by the New York staff, has gone down in local history as wit and intelligence ravaged by the Australian beast.

When Mr. Felker popped up at the News, bringing with him several writers from his New York days, it looked like round two.

Mr. Murdoch certainly thought it was. "They're trying to drive the Post out of business," he said, and responded by changing from three to seven daily editions and cutting the Post's cover price by 5 cents to match the News's 25 cents.

Mr. Felker insists that this reading, shared by most observers, is wrong. "We are aiming at New York Times and Wall Street Journal readers," he says, pointing out that the Post, although it now has a third of the readership, split between the Times, News and itself, has an estimated 10 per cent of the advertising, because of its downmarket stature.

He also says the 300,000 target, widely quoted, has been scurrilously put abroad by the competition. "We are aiming for 200,000 by the end of 1981," he says. "We knew it would be slow going."

Mr. Felker claims extra advertising revenues are already justifying the new edition's heavy costs.

Mr. Felker does have a point. There is no doubt that the choice advertising revenue lies much further up-market than the territory occupied by most Post loyalists in Brooklyn, Queens and the Bronx, and that the top-of-the-market Times (circulation 850,000 and 1.5m on Sundays) has grown as rich as it is today in part because it has cannibalised the slick and sectionalised design format which characterised the early New York Magazine, with strong emphasis on food, fashion, entertainment and the good life. Mr. Felker's inset Manhattan section in the News is very much this kind of exercise. But, following the Felker principle of giving writers space, articles of 4,000 words (twice the length of an editorial page feature in this newspaper) are not uncommon. As for style, one on a Russian ballet dancer began: "Chicago—The boss was curled inside a pair of baggy wheat-jean overalls. He looked more like a sweat-chic Huck Finn than ballet's most celebrated . . ."

But this kind of material is not what commuters are used them better.

to reaching for as they run for a train at Grand Central, and there is no doubt that the News's front pages have been working harder on instant appeal in the past few weeks—"Jean Tells Diet Doc Jury: HE LIKED YOUNG WOMEN"—represented a change of heart from an early front-page headline about the consumer price index.

These days, the Post and the News usually agree on what is the day's main story, but the News stops short of trying to out-Murdoch Murdoch. "Jean's Sexy Love Poem"—a Post offering on the same day as the News headline about the "Diet Doc"—is pure Murdoch.

But, whatever the Post's legion of critics say — one illustrious commentator once called it "a force for evil"—the Post usually has a crisper look than the News, and with half the staff it chases the main news stories just as well and, more often than not, presents

But over at the News, some careful analysis has been going on this week about the implications for the New York dogfight of Mr. Murdoch's proposed purchase of the Times of London.

One theory is that, with big financial problems on both sides of the Atlantic, he would be unable to sustain both and would choose to ditch the Post and possibly his other New York interests. In addition, the theory runs, Mr. Murdoch's attempt to buy the Observer in 1975, thwarted, he believed, by the closing ranks of the British establishment, was what fuelled his blazing entry into New York.

If he overcomes union objections and becomes proprietor of Times Newspapers and a part of that establishment, therefore, perhaps New York will become surplus to requirements.

And who would buy the Post? Why, the News of course.

UK NEWS

Conversion to coal firing plan reduces State role

BY MAURICE SAMUELSON

THE GOVERNMENT is being asked to approve an ingenious plan for financing the conversion of heavy industry from oil to coal without appearing to depart from its policy of opposing grants or subsidies to industry.

Under the scheme, devised by the European Steel and Coal Community and the National Coal Board, three leading industrial companies would invest a total of £30m on converting their oil-fired plant so that it will burn 300,000 tonnes of British coal a year.

If it wins Government backing, it could encourage conversion to coal by other companies inhibited by high interest rates.

The money would be raised in Europe by the coal community in a package of currencies. It would then be made available in sterling to the British customers through a City leasing house.

The Government's involvement would be limited to providing free cover against any adverse change in exchange rates.

Proponents of the scheme say the Government is entitled to give this help under sections 7 and 8 of the 1972 Industry Act. It has been discussed with the Department of Industry and will now be submitted for approval by the Treasury.

It is claimed that the arrangement will enable the customers to raise their investment capital at the equivalent of 4 per cent lower than the interest rate which they would have to pay UK banks.

By using coal, the three companies would cut their running costs by 25 to 30 per cent. They would still use their existing boilers, but the conversions and the introduction of coal handling equipment would provide valuable ancillary work for the troubled boilermaking industry.

The Coal Board hopes that the scheme will evoke a more positive response from the Government than its previous calls for investment grants for conversion from oil.

The French Government provides grants of up to 25 per cent of the cost of converting plant to coal. There are no equivalent facilities for British industry.

North Sea gas project completed

By Ray Dafter, Energy Editor

A GROUP of North Sea oil companies, led by Amoco (UK) Exploration, have completed a £40m gas compression project in the Indefatigable Field, claimed to be the most ambitious scheme of its type in the world.

The work will add to the field's recoverable reserves and extend the producing life of the reservoir by several years. But Amoco was unwilling to give details.

The project required the design, construction and installation of four compressor units using Rolls-Royce RB-211 gas turbine aero engines and the installation of two platforms.

Amoco said the work required some of the most complex technology yet seen in the North Sea. It was also the largest offshore single-platform gas compression project in the world.

The cost has been shared by two offshore groups with interests in Indefatigable: Amoco, Gas Council (Exploration), Amerada Petroleum Corporation of the UK, and North Sea Inc. (Texas Eastern); and Shell and Esso.

The compression equipment will help the companies to maintain production pressure at a higher level than originally forecast. According to stockbrokers Wood, Mackenzie, the field still contains about three trillion (million, million) cubic feet of its original 4.9 trillion cubic feet of recoverable reserves.

British Gas Corporation has recently been renegotiating supply contracts, offering offshore companies higher prices to encourage production investment in mature fields.

● The Gas Corporation has been granted detailed planning permission to develop a gas reception terminal at Easington, North Humberside, to handle additional supplies of natural gas from the Rough Field in the North Sea.

Welsh miners expect closures

BY ROBIN REEVES, WELSH CORRESPONDENT

THE WELSH mining industry is bracing itself for the worst in today's National Coal Board announcement of pit closures and redundancies to stem mounting financial losses.

With the South Wales coalfields' losses amounting toward £90m in the murrent financial year, and unsold stocks above ground totalling 6½ tonnes, some 2m above two years ago, miners and management alike know South Wales is bound to be on the sharp end of today's proposed cuts.

But Welsh mine leaders' stress that there is no question of meekly swallowing the NCB's medicine.

They have maintained a boycott of the NCB closure consultation machinery since last May, holding up the board's proposal to shut a loss-making colliery, Ty Mawr-Lewis Merthyr, in the Rhondda.

Like Mr. Arthur Scargill, the Yorkshire miners' leader, Mr. Emlyn Williams, the South Wales miners' president, considers himself armed with a mandate to call industrial action against any closures except where a pit's reserves are exhausted.

The mandate was obtained at pithead meetings last June and July.

Precipitate action by Welsh miners is unlikely. They want a national response and expect the first move to be a special NUM national conference to confirm the union's total opposition to NCB proposals.

Details of which Welsh pits the NCB wants to close and the number of men involved may not emerge until Friday, when Mr. Philip Weekes, the NCB South Wales director, meets the miners' leaders.

The betting is that between six and 10 of the 34 remaining South Wales collieries, and up to 6,000 miners' jobs, will be for the axe.

The number of miners has already fallen by 1,200 to about 25,000 in the past few months as a result of the closure of three effectively exhausted pits and suspension of all recruitment.

At one time there were nearly 250,000 miners in South Wales.

All work normally so contracted to outside companies has been halted and is being done either by NCB employees or not at all, in a bid to contain the coalfields' losses.

The fact that the coalfields' productivity has broken new records, with a 5 per cent increase in the past year, is of no comfort.

Some export outlets for the Welsh coal "mountain" have been found, notably in France. Overseas sales of Welsh coal are expected to total some 750,000 tonnes in the current financial year, largest volume for many years. But this is not giving a profit.

What the NCB has described as "an apocalyptic collapse" of the market for South Wales coal was last year's decision by British Steel Corporation to halve its output to 2.8m tonnes at its two major South Wales plants, Port Talbot and Llanwern.

Belfast ferry route reprieved

BY OUR BELFAST CORRESPONDENT

P & O FERRIES will retain its Liverpool-Belfast service until at least midsummer, but its longer-term future will depend on increased demand, better union co-operation and Government support for its investment plans, said Mr. Ian Churcher, executive chairman, in Belfast yesterday.

Some time would be needed to see if the route could be made viable.

He challenged those who protested about moves to close the service to "put their money where their mouths are and give it 100 per cent support." A decision to close the service was withdrawn early in January after a public outcry.

The company launched a drive yesterday to improve traffic on what has been an unprofitable route. To win more passengers, a £10 discount voucher is offered to "friends and relatives visiting Northern Ireland."

Mr. Churcher said: "Holidaymakers who have booked, or intend to book, can rest assured that, given the wholehearted co-operation of the unions, we will not let them down."

It was clear from his remarks that further stoppages in the seamen's pay dispute would jeopardise attempts to retain the service.

He said that the disputed inhibited progress on this local issue, though some advance was made in talks with the unions. Discussions would go on about changes to secure longer-term "reliability and viability."

If this is achieved P & O Ferries will need to replace the two ageing ships on the route. This, and improved berthing facilities, would cost about £80m.

The company has consulted the Belfast shipbuilders Harland and Wolff about possible designs for the ferries. It seems the shipyard would be in the running if orders were placed.

It is understood that the Government is being asked to provide some form of guarantee for the loans, which would be necessary to finance the building of the ships.

The Northern Ireland Department of Commerce said that talks with P & O Ferries were still going on. It could not give details of what was being requested.

Mr. Churcher said that a substantial investment was involved. Because of the political situation in Northern Ireland and the effect it could have on traffic, the company wanted to find a way for the Government to share the risks.

Court asked to ban directors

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

THE Trade Department yesterday asked the High Court to disqualify three directors of the Gilgate group from having anything to do with the management of any company because of their persistent breaches of company law.

Mr. John Kidd, Mr. Christopher Reynolds and Mr. David Lucas had between them 21 convictions of failing to file accounts and make annual returns for companies they controlled, Mr. Donald Rattee, QC, for the department, told Sir Robert Megarry, the vice-chancellor.

The department sought to have the three disqualified for five years, as provided for by section 28 of the 1976 Companies Act. That section gave the court a new power to disqualify people from being directors, or acting in connection with the management, of companies, when they have been persistently in default of requirements imposed by the Acts.

Mr. Rattee said that defaults by Mr. Kidd, Mr. Reynolds and Mr. Lucas had been proved, and the only question for the court was whether it was appropriate for a penalty to be imposed on them.

Parliament had clearly indicated that disqualification for up to five years was appropriate for persistent defaults, he said.

Mr. Rattee said that six of the convictions related to companies in the Gilgate group and 15 to the Raybourne group of companies.

The department's claim is being opposed by the three men, and the judge has been told that they object to certain of the evidence the department wants to put before the court.

The hearing continues today.

Lonrho in sanctions appeal

By Raymond Hughes, Law Courts Correspondent

LONRHO IS to try to raise a new legal issue in its marathon damages claim against Shell and BP over alleged Rhodesian sanctions busting, the Court of Appeal was told yesterday.

Lonrho is appealing against a High Court judge's ruling in December in the oil companies' favour on a series of preliminary issues of law that had earlier been argued in private arbitration of the £116m dispute.

It had been agreed that if the ruling — in effect that there was no legal basis for Lonrho's claim — was upheld, it would put an end to the arbitration.

But the Appeal Court was told by Mr. Jonathan Parker, QC for Lonrho, that the company wanted to raise a new issue concerning its rights to sue in the UK over acts allegedly done by Shell and BP in Mozambique.

During the arbitration Lonrho had conceded, after seeing opinions obtained by the oil companies from lawyers in Mozambique, Rhodesia and South Africa, that the acts it complained of could not be the subject of civil proceedings in these three countries.

Since then Lonrho had obtained a contrary legal opinion in respect of

Mr. Robert Alexander, QC for BP, said Lonrho was seeking to undermine the position that had been accepted by all parties since early last year — that a final ruling in the oil companies' favour on the agreed legal issues would end the arbitration without the need for a prolonged hearing on the facts of the dispute.

Lonrho, he said, now wanted to suggest that it had further scope for manoeuvre.

hTe hearing continues today.

Ford to use new plastic in car engines

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

A BREAKTHROUGH in the production of low-cost plastic components suitable for mass production and use in car engines was claimed in London yesterday.

Ford of Europe and two British companies, BTR Permali and Fibreglass, said technological advances had been made both in plastic materials and moulding technology.

Ford says it will be using the material and technology to make parts for new or revamped engines from the mid-1980s onwards. Components likely to be made from the material include water pumps, fuel pumps, oil pumps and thermostat housings.

While an all-plastic engine has been built before, it was only built at high cost—$15,000.

But the three companies yesterday said their processes could produce car components at 25 per cent less cost than comparative aluminium components.

At the same time there was a weight savings of between 25 and 30 per cent on aluminium.

Fibreglass, part of the Pilkington Group, and BTR Permali—encouraged by Ford in a project which started four years ago—developed a compound they have called X52. It is a polypropylene maleate resin with an acrylic thermoplastic additive. They say it has excellent resistance to heat and chemicals and is well suited for moulding.

Apart from its potential for automotive components, the companies say the technology has applications in other industries.

Coalport dinner service fetches £8,000

SALEROOM

BY PAMELA JUDGE

CHRISTIE'S SALE of English pocelain in London yesterday realised £99,678. Vanderkar paid the highest price of the morning at £8,000 for an extensive, but incomplete, Coalport (John Rose) blue-ground dinner and dessert service.

A Worcester (Flight, Barr and Barr) part dinner service painted purple strawberry flowers made £8,000. Albert Amor gave £7,000 for a pair of Worcester blue-ground, tapering, hexagonal vases and covers which had last sold at the same house for 680 guineas in 1962.

Christie's finished its sale of the late Marjorie Wiggin Prescott's collection in New York at the weekend with a total of £556,008 for the books and manuscripts. Quaritch, London, paid £87,500 for a first folio edition of Shakespeare's comedies, histories and tragedies printed by Isaac Iaggard and Ed. Blount in 1623.

Back in London, Sotheby's had a sale of books in which C. King gave £850 for a collection of etchings by David Deuchar, Quaritch £600 for a collection of voyages by Alexander Dalrymple, and Traylen £600 for a similar work by Dalrymple. The total was £18,603. Objects of vertu and miniatures made £25,248 with a German buyer giving £720 for a miniature by Louis Marie Autissier.

CONTRACTS

£1.4m BR workshops at York

A contract worth nearly £1.4m has been awarded by British Rail to TARMAC REGIONAL CONSTRUCTION'S Tyne-Tees area operation. The contract, which has started, is for the provision of facilities for maintaining coaching stock at York. It will involve the erection of workshops, stores, staff accommodation and ancillary buildings. Completion date is early October.

*

The recently-formed Birlec division of WELLMAN FURNACES, Smethwick, has won an order valued around £1.3m for the supply of electric melting/holding furnaces and associated equipment for Dorman Diesels, foundry division, Lincoln. As part of the modernisation of the Beevor Foundry a new melting shop is being built which, taking advantage of off-peak electricity tariffs for melting, will ensure that grey iron both grades 14 and 17 is available 24 hours a day. The order covers the installation of a charge drying/preheating furnace, a hot charge transfer car, three 8 tonnes capacity mains frequency coreless melting furnaces, molten metal transfer ladles and two 35 tonnes available channel holding furnaces.

*

An agreement has been signed between Loach Manufacturing Co and E. ELLIOTT (Moulders in Plastic) for production of Loach cash/security boxes. Elliotts are anticipating contracts from Loach over the next two years to a value of well over £1m and an initial order for £500,000 has already been received.

*

Lightweight cameras are an important part of a new order for a television production package which PYE TVT will be supplying to Telecine Moro. The equipment, worth over £75,000, will be used to set up Portugal's first commercial video production facility. With studios in Lisbon, Telecine Moro will be equipped with two LDK 14S cameras, vision mixing production and distribution equipment. When the equipment is installed later this year the company will be the only private organisation in Portugal using video equipment for making television commercials which will be used on both of Portugal's two Government-owned television channels.

Retail spending reduced by 'dismal' Christmas

BY DAVID CHURCHILL AND DAVID MARSH

SEASONAL CHEER was in short supply in the retail trade at the end of 1980.

The volume of spending in the shops fell about 0.7 per cent, seasonally adjusted, in December compared with November. Retail credit extended to support High Street purchases fell to the lowest level since mid-1977, according to Department of Trade figures published yesterday.

Revised figures show that the volume of retail sales fell to 108.4 (average 1976=100) in December, from 109.2 in November, well down from the provisional December figure of 109.5 given by the department last month.

In spite of the December setback, the average level of trade fo rthe fourth quarter was about the same as the second and third quarters, confirming that the underlying level of activity has changed little since March.

The Retail Consortium said the figures confirmed its ooriginal view that Christmas was "pretty dismal" for many retailers in spite of talk of a last minute sales surge.

The consortium has previously been sceptical of the accuracy of the provisional retail sales statistics and is carrying out its own research into how the figures can be improved.

For 1980 the volume of sales rose by about 0.6 per cent from the 1979 level—down slightly from the original estimate of a 1 per cent gain during the year. Sales in all main retail categories except household goods increased in 1980.

The slowdown in retailers' credit business was revealed in the hire purchase figures for December.

New lending by retailers fell to £206m, seasonally adjusted, from £244m in November, the lowest for more than three years.

However, credit from finance houses and other specialist hire purchase companies rose to £397m from £314m. Total credit from the two groups fell by 7 per cent in the fourth quarter compared with the third.

Retailers say there has been some sales recovery in the last week after a spending slump towards the end of January.

The John Lewis Partnership department store group says sales in the week to January 31 were 6.2 per cent higher than in the same week last year. For the six months to January 31 sales were 11.6 per cent up on last year, but still below the group's estimated 12.6 per cent increase.

Many retailers have continued bargain sales into early February. The Argos discount stores chain is next week launching its spring catalogue with price cuts on almost 1,000 of its 2,231 items.

BA chairman's 'well-being' pledge

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BY M. DONNE, Aerospace Cor. SIR JOHN KING, the industrialist who has taken over the chairmanship of British Airways from Sir Ross Stainton, intends to concentrate on planning, finance and "maintenance of the well-being of the airline and its customers."

Sir John said in a message to all staff that his endeavours will be concentrated "on doing all I can to see that BA has the resources it requires to maintain and improve its standing."

"I am fully confident that the day-to-day running of the airline is in capable hands," he says in British Airways News.

British Airways says it is making progress in two areas of major concern—its manpower levels, and its punctuality record.

The airline says that two years ago, it employed 58,000 people. This has been cut to under 53,000, and the number is still falling.

The airline plans to continue the process of reduction at the rate of 2,500 people a year.

The airline says that in January about 82 per cent of its short-haul flights left Heathrow on time — that is, within 15 minutes of the advertised departure time, the world airline industry's measure of punctuality.

The 10 U.S. domestic airlines achieved a 72 per cent punctuality rate in January.

BA claims that about 70 per cent of its long-haul flights left on time, compared with 54 per cent for Pan American and 65 per cent for TWA, based on Civil Aeronautics Board (CAB) figures.

● Despite the recession, North Atlantic air travel in the first 1 months of last year rose by 1.3 per cent to a peak level of more than 17.76m passengers.

Passengers flying on charter services run by the member-airlines of the International Air Transport Association declined by 19.6 per cent, to about 2.16m, but passengers on scheduled services rose by 5.1 per cent to more than 15.6m.

Stiff product liability law opposed by industrialists

By Lorne Barling

STRICT PRODUCT liability laws such as those proposed by the EEC Commission will probably discourage UK manufacturers from moving up-market to produce higher technology goods, many Midlands industrialists believe.

The British Government is encouraging industry to move in that direction. However, there is evidence that companies will avoid introducing product changes if faced with the possibility of damages claims from ultimate users.

The Birmingham Chamber of Industry and Commerce is therefore pressing for the inclusion of a "state of the art" clause in any future legislation. This will provide some protection on the basis that strenuous efforts may have been made to ensure safety.

"We reluctantly accept that some form of strict liability will inevitably become part of English law," the chamber said. However, it would press its case through MPs and Members of the European Parliament.

The chamber said the "state of the art" provision would allow manufacturers to defend themselves on the grounds that the product was as safe as possible "given the state of technological knowledge available at the time the article was put into circulation."

Although the British Government and the European Parliament supported the need for such a clause, the EEC Commission has put forward a revised draft directive. This aims to make manufacturers strictly liable for any damage caused by a defective product.

Gareth Griffiths on Ansells' decision to shut its Birmingham plant

Two key issues in brewery closure

THE planned closure of the Ansells Brewery in Birmingham had been half expected by the brewing industry for the past couple of weeks, and followed a series of warnings from Allied Breweries, Ansells' parent company.

The closure involves the loss of 600 production and distribution jobs and the scrapping of brewery capacity of about 1m bulk barrels, or 288m pints of beer a year.

Most of the production will be shifted to Allied's brewery at Burton-on-Trent provided the company can win agreement from the Transport and General Workers' Union.

Allied's decision to close the Birmingham plant revolves around two separate issues: brewing overcapacity and industrial relations. Both issues were thrown into sharp relief by yesterday's announcement and could have widespread implications for the industry in the coming year.

The industrial relations issue precipitated the closure decision taken by Allied directors last Wednesday. The brewery, at Aston Cross, has not produced beer for the past month due to a dispute involving TGWU members in the production and distribution sections. The union has a closed shop agreement covering the brewery workers up to middle management level.

The strike started on January 14 because the company introduced short-time working. It was made official on February 3.

About 1,000 workers were involved and Ansells subsequently told local union officials it wanted 96 jobs to go as an alternative to the proposed four-day week.

After several days delay and a warning that the brewery would close, the Ansells management issued dismissal notices to its hourly paid employees on January 30.

Ansells and Allied wanted to trim the workforce at the plant, reduce overtime payments and eliminate practices which it considered restrictive.

The Birmingham workforce has traditionally set the pace for pay in other Allied breweries and average industrial earnings at Aston Cross were about £175 a week.

The new agreements would have abolished guaranteed earnings and allowed overtime payments only when management felt there was a need for overtime to be worked.

Ansells management also wanted workers to be moved to alternative jobs if there was not enough for them to do in their existing jobs.

Allied conceded the net impact of this deal would be a cut in wages. The company has tried for some years to reduce the difference in pay between its Birmingham operations and breweries elsewhere.

This year Allied believes it has a chance to achieve a breakthrough on productivity deals and the abolition of some overmanning and restrictive practices.

It is also trying to achieve a 7 per cent pay deal throughout the various component companies. In common with other brewers the group believes the recession offers an opportunity for making these changes.

After only 28 of the 1,000 dismissed strikers accepted the new terms—a decisive defeat—Allied decided to close the plant.

The company described the industrial relations position as without hope and said closure was the only effective option. It has described the closure as irrevocable.

The second key issue involved in the closure is the reduction of brewing capacity. The Aston Cross plant produces under a fifth of all Allied beers. Allied, in common with other brewers, suffers from overcapacity as new plant came on stream in the 1970s

At Burnton-on-Trent Allied has substantial over-capacity due to the relatively poor performance of its Double Diamond national brand.

Allied believes it has an advantage in switching production from Aston Cross at this time of the year, when demand for beer is traditionally low.

Ansells produces three brands at Aston Cross, Ansells Bitter, Dark Mild and Aston Ale. The brewery has been producing beer since Joseph Ansell set up his malt business on the Aston Cross site in 1857.

Ansells serves mainly the industrial Midlands and with the Bass subsidiary, Mitchells and Butlers, effectively dominates the region. But City analysts yesterday forecast a reduction in market share for the company due to the closure. Ansells has about 1,400 tied outlets supplied from Birmingham.

Allied still has to sort out its industrial relations problems with the TGWU. The union's agreement is essential to the closure as Allied want to keep open distribution depots at Aldridge and Gravelly Park in Birmingham.

If work is resumed at the depots, the company plans to offer ex gratia payments to some employees who have been dismissed.

Glasgow urban renewal funds drive begins

BY ANTHONY MORETON, REGIONAL AFFAIRS EDITOR

THE Scottish Development Agency is organising a drive to attract private capital to the rejuvenation plan for Glasgow's East End.

A steering committee has been set up under Mr. Richard Colwell, the agency's director of urban renewal who is responsible for the Glasgow eastern area renewal project. A promotional programme is to be launched.

The project is a £160m undertaking to revitalise what an EEC official once called one of Europe's most deprived urban areas.

The project was set up in 1976 under the aegis of the SDA as a joint effort involving Glasgow, Strathclyde regional council, the Scottish Special Housing Association, the Housing Corporation, the Manpower Services Commission and the Greater Glasgow Health Board.

Its area begins at the eastern edge of the city centre and covers some 4,000 acres of suburbs such as Calton, Dalmarnock, Shettleston and Parkhead, home of Celtic football clubs.

For 20 years, through a series of misconceived policies, the population was moved to new housing estates on the fringe of the city. As people left so the industrial base was undermined.

As recently as 1951 this part of Glasgow had a population of 145,000. Now it is barely 45,000 and unemployment is probably about 20 per cent.

The position of the unemployed is particularly bad. Three-quarters of the men who lose their jobs take at least six months to find another, six in every 10 take a year.

The project was created to do somthing about housing (almost no private building has been started for 30 years) and jobs.

Industrial output forecast to fall again this year

By David Marsh

THE WORLD recession has not yet run its course and the major industrialised countries are likely to register a further fall in output in the first half of 1981, according to the latest survey of the international outlook from the London Business School.

It forecasts that gross national product of the industrialised nations will fall 0.7 per cent this year after a 0.4 per cent rise in 1980.

The survey, published in association with the Gower Press, forecasts a sharp rebound to growth rates of 4 per cent and more during the next three years, however. It foresees the industrial countries inflation rate dropping to 8.6 per cent this year from 11.9 per cent in 1980, and declining further to about 5 per cent by 1984.

Industrial output in the countries which comprise the Organisation for Economic Co-operation and Development recovered in the fourth quarter last year, recouping between 1 and 2 per cent o fthe 5 per cent fall which had occurred during the previous six months.

But the recovery will not be sustained in 1981, when industrial output is expected to fall by just over 1 per cent.

Tighter curbs accompany doubling of lottery prizes

BY JAMES McDONALD

THE Home Office has doubled the maximum prizes allowed in lotteries but has further restricted how they may be conducted.

Under two sets of regulations, issued yesterday and effective from July 1, the top prizes allowed for weekly, monthly and quarterly lotteries have been doubled to £2,000, £3,000 and £4,000 respectively. The permitted turnover limit, or intake, has also been doubled to £20,000 for a weekly, £40,000 for a monthly and £80,000 for a quarterly lottery. The yearly turnover limit, therefore, is also doubled to £1.04m, £480,000 and £320,000 respectively.

The most important new restriction will make it illegal to sell winning and losing tickets separately.

The Lotteries Council, formed in 1979 by promoters and other interested parties as a self-regulatory body, said this was a practice which its members had already outlawed in their code of conduct. Some foreign printers had not complied, however, and stronger surveillance was needed by the police and the British Printing Industry Federation.

In future, tickets and other material must bear the name of the authority responsible for registration of a lottery. Here also, said the council, members already follow this practice.

The "continuity game," under which some lotteries offer a second game which depends on matching different tickets, will also be outlawed.

Sir Graham Page MP, chairman of the council, expressed disappointment that the higher limits for prizes had still not kept pace with inflation. The council would ask the Home Secretary to reconsider the matter.

Nevertheless, on past experience in other gambling areas, the council expects the bigger prizes to bring about a 35 to 50 per cent incease in turnover. In 1979-80 lotteries registered with the Gambling Board brought in about £85m and the 114 local authority lotteries took in an estimated £200m.

Sir Graham said the council would meet the Lotteries Action Goup, formed by local authorities, in a few days' time to discuss greater collaboration.

He welcomed the new restrictions. Members of the council were the "good boys" but there was still a "small percentage of rogues in the business."

Move to increase use of microchips

FINANCIAL TIMES REPORTER

A CAMPAIGN to introduce micro-electronics to the plastics industry has been launched by Mr. Kenneth Baker, Minister for Information Technology.

The plastics industry has an annual turnover of £3bn and employs 150,000 people. It was the first industrial sector to receive special consideration from the Department of Industry's Microprocessor Application Project (MAP).

To date the project has been committed to spending £30m. It has operated for two years and is concentrating on several specific industrial areas including clothing and textiles, shoe and leather trades, and food-processing.

In the first stage about £50,000 is to be spent on increasing the plastics industry's awareness of the project. Although there are about 2,000 companies in the industry the British Plastics Federation, working with the project, identified only 20 to 30 companies actually using micro-electronics.

The scheme is also supported by the plastic processing sector working party of the National Economic Development Office. It will involve a series of seminars for the industry. Particular emphasis is placed on case-histories of companies which have adopted micro-electronics successfully.

Mr. Baker was appointed Information Technology Minister in the Government reshuffle at the New Year. He said extra funds had been committed to the project this year. It has a total budget of £55m and expects to spend between £12m and £15m this year.

Mr. Baker hopes this campaign will be the first of several. "It is perhaps expecting too much to set an aim of getting every company to use micro-electronics."

He said several companies in the industry had already made a good start applying micro-electronics. Twelve would provide case-studies which would range from process-monitoring and control of injection-moulding machines to colour-matching and the control of sheet thicknesses.

Airlines fight landing fee rise

By Raymond Hughes, Law Courts Correspondent

THE LEGAL MOVE by the British Airports Authority to try to force 16 foreign airlines to pay increased landing and other fees, pending full trial of a dispute over the fees, began in private in the High Court yesterday.

BAA's claim for a temporary injunction is being heard by Mr. Justice Parker in the Commercial Court. It is customary for interim proceedings in Commercial Court litigation to be dealt with in chambers.

The airlines dispute the legality of the increases which they contend are excessive. The have been withholding them since November.

The main action, in which the airlines are suing the Secretary of State for Trade as well as BAA, is expected to come to court in two or three months.

Book producers' plea

MR. JOHN BIFFIN, Trade Secretary, yesterday assured printing industry representatives that the Government would fight unfair overseas trade activities which are causing problems for Britissh book producers.

Representatives of the British Printing Industries Federation and three print unions told Mr. Biffin that book production in Britain was in a state of "dangerous decline."

Credit cards dropped

TWO MAJOR supermarket chains have abandoned the use of credit cards for food purchases because of a lack of demand by shoppers.

Both Tesco and J. Sainsbury had been carrying out trials to see if consumers wanted to buy groceries on credit. But both chains found that the extra sales volume generated by the facility did not justify the fee paid to the credit card companies on each transaction.

Pension funds seek tax exemption in Britain and U.S.

BY CHRISTINE MOIR

LEADING UK pension funds are to lobby both the U.S. and UK Governments and taxation authorities for tax exemption in the U.S. The quid pro quo would be similar treatment for U.S. pension funds seeking to invest in Britain.

At a specially called meeting of the National Association of Pension Funds yesterday 45 representatives of the largest funds, including those managed by banks and insurance companies, agreed to provide funds for U.S. lawyers to lobby the U.S. Senate and to set up a parallel lobby of the Bank of England, Treasury and Inland Revenue.

The occasion for the U.S. lobby is the Moynihan Bill, which has just been placed before the Senate for the second time. The Bill recommends that all foreign pension funds and charities investing in the U.S. should have the same tax freedom as U.S. funds, subject to reciprocity for U.S. funds in the foreign country.

The matter is of some moment to the UK's pension funds, which are investing heavily abroad, with by far the largest amount going to the U.S.

UK funds are subject to withholding taxes on U.S. dividends and interest, taxes on rental income, and—since a new Act imposed in December—capital gains tax on the sale of properties. U.S. pension funds are exempt from these taxes.

It is not yet clear how much tax UK funds pay on their U.S. investments. Mr. Tom Heyes, vice-chairman of the NAPF, who chaired yesterday's meeting, said much research would be needed to arrive at a realistic estimate. The sum is unlikely to be less than $50m.

The pension funds are worried that the UK Government will not see fit to offer reciprocity to U.S. funds. There are rumours in Washington that the British authorities are no more than lukewarm about the Moynihan Bill.

But if this route fails the funds intend to raise the possibility of a special double taxation treaty for U.S. and UK funds. Such a treaty has just been signed between Canada and the U.S.

National Savings to end free nomination service

BY JAMES McDONALD

THE NATIONAL Savings Department, under pressure to economise, is to end a free service which has operated for nearly a century under which a National Savings holder can nominate one or more persons to receive his savings at his death.

The nomination over-rides any bequest of the savings in a will, either made before the nomination or subsequent to it, although it becomes void on a subsequent marriage.

The service has been found sufficiently attractive and simple to people—either because National Savings are their sole savings or because they are apprehensive about the workings of the legal process—for about 750,000 nominations to be on the Department's books at present.

Although the service is to be withdrawn from May 1, nominations in being at that time will remain in force.

In the first year of withdrawal, in fact, about 12 jobs will be lost out of the Department's 10,000 total staff.

Provincial Life quits association

By Eric Short Law Courts Correspondent

ANOTHER LIFE assurance company, Provincial Life Assurance, has left the Life Offices Association following last week's resignation by Schroder Life.

In 12 months four life companies have quite the LOA, the trade ssociation for life companies, in each case becouse of a disagreement over commission payments.

The LOA has laid down a maximu mscale of commission payments which member-companies can pay insurance brokers and other intermediaries, other than direct salesmen, for al ltypes of life contracts.

It banned payment of extra commission for large volumes of business, known technically as overriding.

Life companies must abide by this scale as a condition of membership.

Some companies, designated "small offices" are perimtted to pay up to 25 per cent above the scale for certain calsses of business. The LOA accepts that a small life company may need to offer more attractive commission terms to get business.

The concession ceases once the company reaches a certain size.

Mr. Harold Walker, managing director of Provincial Life, in the letter of resignation said that in selling single premium unit-linked products the two main factors were investment performance and commission. Performance of Provincial's funds had been good, but the company could not compete on commission with non-member life companies.

Provincial received small-companies concession for its regular premium business, but not for single premiums. Mr. Walker said the company had tried many times to get the concession extended to single-premium business, without success.

He thought the commission agreement had an inhibiting effect on the company's development, that it could no longer sacrifice commercial interests by remaining in LOA.

British Gas wins control of North Sea ethane supply

BY SUE CAMERON, CHEMICALS CORRESPONDENT

BRITISH GAS has won its fight with the British National Oil Corporation for control of ethane gas—used as a raw material for making petrochemicals—that will come from the planned £2bn North Sea gas gathering system.

It is understood that an agreement which will make British Gas the major trader in ethane has been drawn up by the two state-owned corporations and sent to the Department of Energy. Ministers will have to give their approval to the agreement but it is thought there will be no difficulty in obtaining this.

The agreement marks a victory for British Gas. It is known that the British National Oil Corporation sought control of the ethane coming through the new pipeline. But BNOC will have to be content with becoming the main trader in propane and butane, two gas liquids that will also be carried through the new line and can also be used as raw materials for making petrochemicals.

The agreement will mean an end of one source of delay on the entire pipeline project. It could also have important implications for the seven petrochemical companies that have expressed interest in buying the ethane.

Shell, Esso, BP Chemicals and Imperial Chemical Industries have said they want the ethane to be piped south after it has been landed at St. Fergus on the Scottish coast. The gas could then be used at Mossmorran, where Shell and Esso are building a petrochemicals plant, at BP's Grangemouth plant and at the ICI complex on Teesside. It is understood that BNOC had definite plans to send the ethane south—if it had been given control of the gas.

But U.S.-based Dow and UK-based Highland Hydrocarbons have rival plans to build new petrochemicals plants at Nigg Bay on the Cromarty Firth and use the ethane there. U.S.-based Occidental is also keen to have some ethane for use at a proposed new plant at Peterhead. It is thought British Gas may be more sympathetic to earmarking some ethane for use in one or other of these proposed Scottish developments.

British Gas stressed yesterday that it would not have a monopoly over the ethane coming from the new pipeline. The oil companies producing the ethane in the North Sea would be able to sell it to customers of their own choice if they wished.

But the agreement between British Gas and BNOC will mean the former having a major say in pricing ethane from the new line and in deciding where initial supplies should go.

British Gas will automatically take charge of the methane, the natural gas used to heat homes and power industrial plants, that will come through the new pipeline.

Ethane gas is used to make ethylene, the so-called building block of the chemical industry, used in the production of a wide range of things from plastics to solvents.

At present UK petrochemicals companies, like those in the rest of Western Europe, make most of their ethylene from oil-based naphtha. But ethane is a more economic raw material and this is why the petrochemical companies have been fighting for supplies for their own plants.

Re-launch for Dimple whisky

By Gareth Griffiths

THE Distillers Company is to re-introduce its John Haig Dimple brand which was withdrawn from the UK market more than three years ago following a Common Market ruling on dual pricing of whisky.

The brand will be called Dimple 12-year-old and will go on sale next Monday. The price in the shops is expected to range between £9.50 and £11 a bottle.

Distillers' share of the UK market has shrunk over the past three years from about half to slightly more than a fifth. The company said yesterday the abolition of price controls enabled it to introduce a brand at sufficiently high price to put Dimple back on the market.

Dimple Haig, was withdrawn from UK sales in December 1977, following an adverse decision by the EEC Commission on Distillers' dual pricing policy. At that time it was the second most popular de luxe brand after the Johnnie Walker Black Label brand.

Its withdrawal was to prevent unofficial or parallel exports of Dimple to the Continent which had undercut the prices of Distillers' agents there.

Carrington drawn into foreign aid battle

BY DAVID TONGE

THE LONG rearguard battle to save major elements of Britain's foreign aid programme will be carried this morning to the offices of Lord Carrington, the Foreign Secretary.

There, in a room whose august decor bears witness to less stringent days, the Commonwealth Development Corporation will ask permission to borrow commercially abroad to maintain its lending activities.

"We are thinking in terms of an initial float of some £25m," says Sir Peter Meintertzhagen, the corporation's general manager, who will accompany Lord Kindersley, the chairman, to see Lord Carrington.

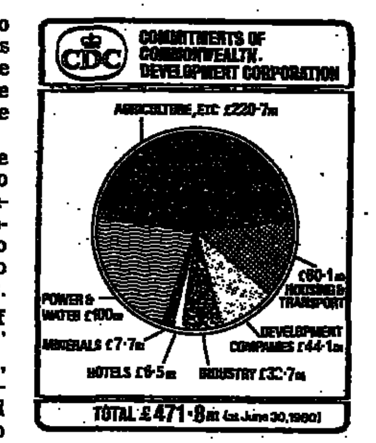
Sir Peter says that if the corporation borrows abroad for use abroad it will not affect the money supply in Britain. As a public body its borrowing is included in the public sector borrowing requirement but the corporation says its contribution to the PSBR would be "miniscule."

The corporation will also argue that for 25 years it has been "viable, profitable, self-reliant, doing just the things the Government likes," says Sir Peter.

Established by Act of Parliament in 1948, the corporation aims to bridge the gap between aid and investment, acting as a catalyst for others prepared to invest in developing countries.

As of last June its total commitments were £471.8m. And at the end of 1979 it had investments in projects with a value of more than £2.2bn.

Projects involved range from oil palm plantations in Papua New Guinea and a hotel in



Indonesia to factory development in Singapore.

The corporation was originally intended to limit the dependence of former colonies on UK budgetary suport but is now no longer restricted in its activities to Commonwealth countries.

It claims to have paid attention to the smallholder long before the World Bank and to have brought the World Bank into agricultural development. It played a pioneering role in introducing cocoa to Malaysia and a forest industry to countries such as Swaziland.

It has also set up the first local development finance companies in Fiji, Nigeria and East Africa. For Britain it has been important because orders placed in the UK for projects in which it has invested have totalled about £100m over the past five years, according to Mr. J. Leech, its head of external relations.

In the same period it drew £117m from the Treasury, but earned £165m of which £81m was repair to the Treasury.

The corporation has fitted in well with the aid guidelines announced by Lord Carrington a year ago, that greater weight would be given to "political, industrial and commercial considerations alongside our basic developmental objectives."

But at the same time it was announced that Government contributions to the corporation would be cut by 35 per cent for the three years ending March 1982. And a review was instituted into the corporation's activities.

This review has just been completed, and is the reason for to-day's visit. Officials from the Overseas Development Administration, the Treasury and the Department of Trade took part, as did members of the corporation.

That the corporation also signed the report is an indication of the support which the officials gave the body. Sir Peter says he will ask Lord Carrington to "give the report a fair wind with his colleagues."

The report appears to endorse the corporation's contention that it does an important and cost effective job. There is some debate in Whitehall about whether the corporation concentrates sufficiently on the poorest countries.

But the immediate question is how it can be funded in a way which does not stretch an aid budget which is being cut, in real terms, by 14 per cent in three years.

With multilateral aid to bodies such as the World Bank's International Development Association, committed years ahead, the brunt of Britain's cuts have been borne by bilateral aid and bodies such the corpation.

The debates on the corporation has raised the issue of the extent to which commercial considerations should enter into aid decisions.

But both the critics and supporters of aid seem to treat the corporation as successfully mixing commercial and development criteria. Its supporters thus argue that it should be treated as a smpecial case.

UK NEWS — PARLIAMENT and POLITICS

Revenue of £6.4bn for health authorities

By Robin Pauley

REVENUE ALLOCATIONS for England's 14 regional health authorities will total £6.4bn in 1981-82. Capital allocations will be £511m.

Dr. Gerard Vaughan, the Health Minister, said yesterday the allocations he was announcing were provisional, pending Parliament's approval of the Department of Health and Social Security's estimates. The allocations would be subject to the health service cash limit, which has not yet been announced and is still the subject of Cabinet discussions.

"The revenue allocations maintain the planned rate of growth in the National Health Service including the requirement that health authorities are expected to make savings of at least 0.4 per cent through the better use of resources and increased efficiency," Dr. Vaughan said.

The distribution of the planned growth, ranging from 0.5 per cent in the London area to 3 per cent in Trent, reflects the Government's commitment to reduce the disparities in the level of NHS resources available.

The Northern region will have £448.5m revenue and £37.2m capital; Yorkshire £502.4m and £42.3m; Trent £598m and £49.8m; East Anglian £247.7m and £26.6m; North West Thames £585m and £28.3m; North East Thames £634.1m and £36.9m; South East Thames £597.7m and £31.7m; South West Thames £470.4m and £27.5m; Wessex £356.3m and £35.9m; Oxford £285.5m and £21.1m; South Western £436.3m and £32.4m; West Midlands £695 and £49.7m; Mersey £375.2m and £27.7m; North Western £619m and £64.4m.

Revenue allocations are at November 1980 prices and capital allocations at average 1980-81 prices.

Joseph challenged on private steel support

BY IVOR OWEN

SIR KEITH JOSEPH, Industry Secretary, was challenged in the Commons yesterday about the growing complaints from private sector companies hit by competition from State aided rivals.

The difficulties facing many private steel companies were stressed from both sides of the House when he confirmed there will be an early statement, probably tomorrow, on the decision reached by the Cabinet on the size of the latest allocation of taxpayers' money for the British Steel Corporation.

Mr. Kenneth Lewis (Con., Rutland and Stamford) underlined the unease of Tory backbenchers by stressing the already large amounts of money provided from the Exchequer for BSC.

"Much more than you would have wanted to give or said you would be having to give," he commented.

Mr. Lewis called for an assurance that the *additional* funds to be provided for BSC would be monitored to make certain that it was not used to subsidise activities against the private sector.

Sir Keith said he entirely agreed "*in principle*" with the views expressed by Mr. Lewis. But he pointed out that where private and public sector steel interests overlapped, the Government was encouraging joint partnerships.

Mr. Denzil Davies (Lab., Llanelli) pressed the Minister to agree that the further financial help for BSC should be accompanied by aid for Duport, the private sector concern which has a steel plant in his constituency, to enable it to survive and provide more employment.

Sir Keith reaffirmed his concern about the subsidised competition faced by private sector companies.

The Government would do its best to protect the private sector, he said, but wanted to do so by reducing the assistance to BSC rather than by providing assistance for the private sector as well.

Mr. Sydney Chapman, (C., Chipping Barnet) said that over the past 10 years the public subsidy providing for BSC amounted to £5bn.

He contended it was not unreasonable for hard pressed taxpayers now to demand that any future subsidy should be used for sound capital investment rather than for covering increasing losses.

Sir Keith accepted that Mr. Chapman had been right to draw attention to the money poured into the industry by the taxpayer.

But he added: "In the transition to a viable industry there are unavoidable costs, including closure and redundancy costs."

Mr. Michael Brown (C., Brigg and Scunthorpe) told Sir Keith that although he represented a steel constituency, he did not believe the security of the *industry was necessarily dependent* upon the money the Government put into it.

He asked what assurances had been sought from BSC that the corporate plan would be commercially viable.

Sir Keith replied: "The management and workforce of BSC have to cope with the market as it evolves. We all hope they will do their best but the market may continue to be hostile and no one can guarantee the outcome for any part of BSC or for BSC as a whole."

He emphasised that the question of partnerships between BSC and private sector companies was a matter for the commercial judgment of the parties involved and not for the Government—which had done no more than give its blessing to exploratory discussions.

Mr. Norman Tebbit, Industry Minister of State, drew a sharp distinction between the position of BL and Talbot when he again defended the Government's decision to provide £990m for BL over the next two years.

Mr. John Stokes (C, Halesowen and Stourbridge) said: "Some of us wonder if we can afford to support BL, can we afford to support Talbot as well bearing in mind that Peugeot has the main responsibility?"

Mr. Tebbit said it was not a question of support but of the Government seeing BL through two conditions in which it could be returned to the private sector.

Talbot was not in the British public sector and, therefore, the two cases were rather different.

Mr. Stan Orme, Labour's Shadow Industry Minister, protested at the continuing *pressure from Tory benches* to secure the sale of the profitable sections of BL.

The morale of BL management was being affected, he said.

Sir Keith suggested that the Tory MPs concerned were animated by the same desire as everybody else over the prospects for BL and all its parts. But he added: "I hope they will recognise, however, in their enthusiasm that having appointed a management the Government must really leave it to the management to make the decisions."

● MR. KENNETH BAKER, Minister of State for Industry, told MPs the Government had not received "any specific and formal request" for assistance from ICL.

● Officials of the British Independent Steel Producers Association, representing the private sector steel industry, saw the Tory backbench industry committee last night in an attempt to ensure the private sector does not suffer as a result of the aid the Government has agreed to extend to BSC.

Prior cautious on scrapping industrial training boards

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

MR. JAMES PRIOR, Employment Secretary, took a cautious line in the Commons yesterday on Government proposals to abolish many industrial training boards and put the cost of training onto industry.

He said that although there was evidence that several of the boards may have outlived their usefulness, this did not hold good universally. Therefore, it might be necessary to retain some of them.

Mr. Prior, introducing the second reading of the Employment and Training Bill, said it would be very difficult to decide what changes should be made in the current system. Nevertheless, it would be necessary to move away from present methods and give greater scope for voluntary training arrangements.

The Bill empowers the Employment Secretary to abolish the boards, change their scope or establish new ones without a recommendation from the Manpower Services Commission. Mr. Prior will not decide which boards should be scrapped until he has received a report later this year from the Manpower Services Commission, which is examining the training needs of individual sections of industry.

In an earlier report, the MSC recommended the removal of the "ceiling" on levies. If the Boards wish to increase a levy to a level which is more than 1 per cent of the money which employers spend annually on wages and salaries, they then have to get approval of Parliament.

Mr. Prior told the House yesterday he had rejected this recommendation. He felt it would not be right to remove this "important control mechanism."

The Government's intention to cut back on the boards has provoked a hostile response from the TUC, the Labour Party, and also from some employers, who are worried that the cost of the training boards—currently £50m a year—will fall upon them.

However, some sections of industry and Right-wingers in the Conservative Party favour the scrapping of the boards.

Yesterday, the Institute of Directors issued a report saying the continuation of the boards in their present form imposed an unnecessary expense on industry and constituted an unacceptable degree of State intervention. It urged that the boards' powers to raise levies from industry be abolished and pointed out that the Bill now before Parliament makes no such proposal.

Nevertheless, the Institute is opposed to any suggestion that the £50m operating cost of the boards be transferred to industry.

Mr. Harold Walker, a Labour employment spokesman, feared the Government's plans would result in the closure of all but four of the present 24 training boards. He said that if Mr. Prior used the powers in the Bill it would lead to massive disruption.

Rallies and pledge will spearhead Paisley campaign

BY OUR BELFAST CORRESPONDENT

THE REV. Ian Paisley's campaign against what he alleges is another attempt to hand over Northern Ireland to the Irish Republic will rest on a series of public rallies and the signing of a declaration by Protestants.

Mr. Paisley has modelled his plan on the 1912 opposition to Irish home rule spearheaded by Lord Carson, the father of *Ulster Unionism*. "We are going on the Carson trail," Mr. Paisley said yesterday when he announced his plans.

He and his fellow Democratic Unionist MPs put the first signatures on a declaration stating "unalterable opposition" to the involvement of the Irish Republic in discussions on Northern Ireland's future.

Mr. Paisley says the December meeting in Dublin between Mrs. Margaret Thatcher, the Prime Minister, and Mr. Charles Haughey, the Irish Premier, was the beginning of a process towards an integration of Ireland.

This is dismissed within the *Government*. The Northern Ireland Office and many of the province's politicians regard his activities as a stunt prior to the local council elections in May.

A public rally in Omagh, Co. Tyrone on Friday will be the first of 11 demonstrations culminating in a mass protest at the site of Lord Carson's statue at Stormont next month.

Mr. Paisley said Unionists would be fools not to prepare for the worst. They had been the victims of previous bogus assurances similar to those now being given by the Government about the Anglo-Irish studies into developing the relationship *between the two countries*.

Underlying the campaign is the implied threat that there is a large body of men who would physically oppose moves towards a united Ireland. Last Friday journalists were taken to a Co. Antrim hillside where "a token force" of 500 men were on parade for Mr. Paisley. They held up documents which were said to be firearms certificates.

Asked yesterday if force might be necessary, Mr. Paisley said: "I would not like to think it would come to that. I am quoting Lord Carson when I say we will stop at nothing."

The Official Unionist Party, over which Mr Paisley is seeking a big victory at the council elections is likely to dissociate itself from the campaign in spite of a call for a joint effort made yesterday by Mr Robert Bradford, one of its MPs.

BAe shares sale warning

MR. PETER SHORE, Shadow Chancellor, last night warned prospective buyers of British Aerospace shares that a future Labour Government would renationalise the corporation and that they would make no "unjustified" gains.

The Government yesterday put on sale 100m British Aerospace shares at a total price of £150m. The offer represents half the shares of the nationalised corporation. The company's prospectus warns of the Labour Party's threat to renationalise public corporations "without compensation."

EPTU gears itself up for battle in the Labour Party

BY JOHN LLOYD, LABOUR CORRESPONDENT

WHEN SHOP stewards of the Electrical and Plumbing Trades Union attend seminars at the union's *training college* in Esher *chaired by their general* secretary, they do not hear the familiar (to other unions) words of encouragement that they are "the representatives of the membership."

Indeed, if one of them suggests such a thing, Mr. Frank Chapple will respond to the following effect: "Don't fool yourself. You do not represent the membership. You are part of that *neurotic, less-than-five-per-cent* of the population, like me, who enjoys being active in politics or trade unions. Your members are not like that and if you forget that fact you will lose touch with them and they with the union."

This, reportedly, is greeted with acclaim—though when *other senior officials of the* union attempt to copy the act, it is not accepted. Mr. Chapple, personally, lays claim to be at once the leader of his union and its members' spokesman: the senior among its officials and their demotic conscience: extraordinary because of the coherent expression he gives *to the ordinary*.

POLITICAL REALIGNMENT

Activists

It is a style of leadership which has no parallel in the British trade union movement (though it attracts admiration and envy from unlikely quarters). Clearly, however, *it rest on more than personal* charisma.

In the period following the 1961 trial which established ballot rigging by the union's Communist-dominated leadership, a reform committee led by Les Cannon (union president until his death in 1971), Frank Chapple and Mark Young (now *general* secretary of the pilots' union BALPA) greatly changed the union's structure. Broadly, the changes replaced the network of elective area committees with industrial divisions, and exchanged a structure in which elections for executive office, including the general secretary's were held at Branch meetings *attended by activists*, to one where they were conducted by secret ballot of all members.

At the same time, Mr. Cannon and Mr. Chapple after him were careful to appoint strongly anti-Communist officials (many of who were, like them, former *Communists*). Further, the ban on Communists holding any office in the union remains, as attempts to change the rule are heavily voted down in successive rules revision conferences.

The result, 20 year on, is a union whose ideological position is not only unequivocal but effective from top to bottom—there is no possibility, within an EPTU conference delegation, of the kind of rumpus and "mistakes" which have been a feature of the politically-riven engineers' union in recent times.

It is thus in the best shape to be the actual, if not necessarily the nominal, leader of a Right-wing/Centrist bloc of trade unions. This bloc could reverse the decision taken at the Wembley special conference for a leadership electoral college giving a 40 per cent share to the unions and it could underpin the efforts of the Centre-Right in the Labour Party at national level and throughout the country to regain control. Will it do so? And how?

Mr. Chapple has already made it clear that the union should not leave the Labour Party unless, in his executive's opinion, the Right's position *within* the party and the Labour movement becomes hopeless. His reason for doing so is based on the following analysis.

The main political parties in Britain are not *merely* political parties: they base themselves on the institutions of the two major social forces — business and the trades unions. These institutions have a stable, day-to-day, year-to-year, even century-to-century, existence, one much less febrile than that of a party. Lacking such carthorses as these, the Centre party/Social Democratic-Liberal coalition is unlikely to be able to plod on once it has ceased *to dash*.

Alarms

This analysis means that new groupings are regarded as extremely unlikely to succeed. However, if the fight *does* become hopeless, then the union's leadership will consider leaving, in spite of the formidable technical and political difficulties that poses.

For now, though, it is gearing itself up for what its leadership believes will be the opening of the real battle — the recent alarms and excursions being merely shadow boxing. That *battle*, the leading officials believe, will be fought "member by member and street by street."

This is not rhetoric. Right, now, the EPTU:

● Is writing to Mr. Ron Hayward, the Labour Party's general secretary, warning him that if a recent national executive committee's *decision* to freeze EPTU members' affiliations to Dulwich Labour Party is not reversed, it will take legal action.

● Has given two officials, one a new appointment, virtually full-time political roles. Their work consists very largely of persuading members to affiliate to the general management committees of their local Labour parties, especially those—as in the well known examples of Dulwich and Bermondsey in South London—where the Left (*or far Left*, as the union would say) has the majority and a new MP is about to be selected.

These constituencies are perhaps best known because they are within a local call of Fleet Street. In fact, the union has had most success, in a quiet way, in the West of Scotland, where nearly 100 electricians and plumbers now sit on GMCs to the discomforture of at least some of their new comrades. The EPTU leadership, *true to* the credo of Mr. Chapple that political activists are cranks, does not believe that most of these otherwise sensible members will continue to turn up month after month. A few might discover an eccentric enjoyment of the process, but for the rest, two or three times *a year will be enough*.

● Has agreed to co-operate with other unions, including the engineers, the raiwaymen, the white-collar union APEX, the shoeworkers' union USDAW and the Union of Communications Workers, in developing a (for the moment) informal grouping on the Right dedi*cated in the first place to reversing* the Wembley conference decision and then . . . well, who knows what then?

Economy

The EPTU *does* know: it wants to reverse the constitutional changes which favour the *Left* by the same process *it* used in its own internal affairs —using the mass of Labour Party members to elect a leader. Then, it will set about ensuring that party policy swings back in favour of the EEC, multilateralism and the mixed economy.

A tall order (though scholarly-inclined officials *believe*, by historical analogy, that social forces are on their side: Thermidor follows the revolution). But—and this is the crucial factor—will the union be able to put itself at the head of such a movement, or at least convince others that it is necessary?

The Centre and Right of the *Labour movement* is now thoroughly alarmed and combative: but many dislike, or affect to dislike, Mr. Chapple and his tactics, while he and his colleagues have often shown impatience with those who might be at least temporary allies but do not share their zeal or beliefs. They have a strong affinity with Mr. Terry Duffy, president of the engineers—but doubt if his union's structure allows him to be effective.

If, as the EPTU believes, the ferocity of the inner party warfare in the months, even years, ahead will be such that all are forced to take clearly defined *sides, its tactics and positions* will gain increasing support.

If, as past practice has been, the British Labour movement can continue to contain its contradictions while providing the social, organisational and political base for future Governments, the EPTU will remain—while Mr. Chapple is leader—in *relative isolation, a centre without satellites*.

Legal action threat Page 10

Reject in haste; regret at leisure

BY MICHAEL DIXON

IF ANYTHING, this column is inclined to give the benefit of the doubt to the candidates' side of the employment market. So there is no lack of sympathy here for job-applicants' complaints of being kept waiting for weeks between attending an interview and being told that they have not got the job.

But although the delaying is upsetting to applicants, especially when so many of them are unemployed and anxious, it can have a reasonable explanation. This lies in something which has just happened to the Royal Society of Arts in its search for a chief accountant. And while it is 21 years since I last had evidence of its occurring, in a case which involved me, I feel sure that the same thing is going on somewhere in the jobs market all the time, like the ceaseless flaring of smokers' matches amid a big crowd at a winter football game.

My example occurred when, after five jobless weeks of searching, I had restarted work in the sales office of a brake-lining company. The hours were 9 am to 5.30 pm Monday to Friday, and the pay £9.625 a week, plus a 12½p daily bonus if one was punctual (a reward which, since arriving by nine rather than five minutes later required me to rise 40 minutes earlier, I sometimes decided to forego).

Soon after settling in, I was telephoned one evening at home by the chief accountant of a brewery who some three weeks earlier had turned me down for the post of bought-ledger clerk. The job was now mine, he said brightly. My reply was that I no longer wanted it, not least because the pay was but £9.50 weekly and the hours 8.30 to 5.30 Monday to Friday and 8.30 to 1 pm on Saturday. "Oh, dear," he sighed, "then I suppose we shall just have to start all over again."

It transpired that, having offered the post to, and had it accepted by the first-choice candidate, the brewery chief had considerately written to inform the others that the decision had gone against them. As a result, when the first choice changed his mind before joining the company, it was left stranded with no option but to repeat the costly and lengthy exercise of recruiting.

Given the obviously continual risk to recruiters of thus having their considerateness to lower-choice candidates rebound to hit them sharply in the pocket, it seems reasonable for them to delay the turnings down until the first choice has effectively turned up. It also seems reasonable that, since a similar misfortune has recently befallen the Royal Society of Arts, this column should try to help it to repair the damage.

The "Arts" in question are not of the purely aesthetic sort, because what the 227-year-old society is mainly concerned with would be better described as the skills of industry and commerce. While it lives in a cleanly civilised, finely renovated building in John Adam Street just off London's Strand, its prime activity is to provide examinations in various working skills for some 700,000 entries a year.

Fees for these examinations account for 80 to 85 per cent of the £2.5m annual turnover, and working with the society's systems analyst to change from manual methods of accounting for exam money to a system based on the recently installed ICL ME 29 computer will be a prime task for the required chief accountant.

Of the other £450,000 or so of income, about half comes from membership fees, nearly another third from investments, and the rest from rentals etc. In 1979-80, the society showed a surplus of £239,000. In managing the future finances, the newcomer will be responsible to the RSA's secretary Christopher Lucas, and be directly in charge of about half a dozen of the 140 full-time employees.

Mr. Lucas wants candidates to be qualified accountants with sound experience of financial control and of running an accounting office, and familiar with computerised systems.

The starting salary he can offer is only about £13,500, which will certainly seem low to those who have heard tell, not least in this column, of the £11,500 or thereabouts which accountants are able to command quickly after qualifying, when they are no older than 24. But the fact seems to be that for most accountants, any such steep salary progress after they pass the final exam then gives way to a very gradual slope. So while £11,500 may not buy much in the way of the newly qualified, an extra couple of thousand can often attract an older person with several years of post-qualifying experience.

So even though Christopher Lucas can offer no perks but a pension scheme and civilised working conditions, the post may well prove attractive to some in his two "target groups." One is youngish accountants seeking experience in charitable institutions. The other is those aged 50 onwards.

He can be contacted at the RSA in John Adam Street, Adelphi, London WC2N 6EZ; telephone 01-839 2366.

Two abroad

JO JACOBSTHAL, of the European Marketing Systems consultancy in Switzerland, has flashed in a couple of orders. Since he may in neither case name the employer, he—like the other headhunter next to be mentioned—promises to abide by any applicant's request not to be identified to his client without further permission.

The first job is in the sun-belt of the U.S. as general manager of a reorganising subsidiary of an international group. The subsidiary has about 60 employees, a large share of them technically qualified, in producing "highly sophisticated" hardware and software. Candidates should be experienced managers, more entrepreneurial than boffin, in the computer field and familiar with U.S. working customs. Salary around $75,000.

The other post is again with an international group, but in Brussels as branch manager of the subsidiary which markets in Belgium and Luxembourg the parent's branded mass-consumer products. "There is no manufacturing involved," Mr. Jacobsthal says, "but there's complete responsibility for marketing, sales and distribution in the area concerned. The newcomer would have a relatively small unit of about 45 people, and enjoy substantial support by way of staff-services from the headquarters outside Belgium, to which the branch manager is responsible."

The general need is for someone with proven leadership ability in marketing management. However, while Belgian nationality is not essential, familiarity with the area and fluency in its languages is wanted. Experience of marketing similar products in the same region would be very welcome. Salary indicator is around the equivalent of £20,000 in Britain.

Inquiries to Jo Jacobsthal at 5 Avenue Beaumont, CH 1700 Fribourg, Switzerland; tel. 037 24 32 80; telex 36152.

Store finance

A FINANCE director is being sought by consultant Keith Phillips of John Anderson and Associates, for the retailing subsidiary of a British-based multinational. The recruit will be responsible to the chief executive for the accounting, data processing and administration of the subsidiary which is large and still growing. Optimum return on investment is the principal aim, although development of systems perhaps including on-line, point-of-sale recording, is important.

Candidates should be qualified accountants with managerial experience covering computer-use and, preferably, multiple retailing of fast-moving goods. Salary indicator £18,000, car among perks. Base will probably be the Midlands.

Inquiries to Mr. Phillips at Norfolk House, Smallbrook Queensway, Birmingham B5 4LJ; Tel. 021-632 5758.

Seamen offer arbitration, but under own terms

BY PAULINE CLARK, LABOUR STAFF

THE National Union of Seamen yesterday presented shipping employers with its own terms for referring the industry's dispute to arbitration. The move offered the best hope yet for an early end to the union's national industrial action over pay.

Employers represented by the General Council of British Shipping meet today to consider the union's request for full payment of their long-standing 12 per cent pay offer while arbitration takes place.

All the signs yesterday were that shipowners were ready to consider the union's demand seriously. Improved terms for arbitration would give the union's executive officers the signal to recommend acceptance of the offer at a full executive council meeting tomorrow.

Executive acceptance of the offer would almost certainly lead to immediate suspension of the industrial action by seamen which has disrupted British shipping for more than a month.

The employers offered arbitration to the union last weekend in talks at the Advisory, Conciliation and Arbtiration Service. The union said these talks had collapsed without agreement after 10 hours.

The GCBS had offered an interim payment of 9.4 per cent while arbitration took place, leaving the union's claim for overtime payments at time-and-a-half for all overtime worked by seamen to the deliberations of an arbitrator. A 12 per cent interim payment would allow overtime at time-and-a-half but only for work on Sundays.

Mr. Adrian Swire, GCBS president, last night said he welcomed the positive response to the offer of arbitration by Mr. Jim Slater, NUS general secretary.

"We hope this means that arbitration can be got speedily underway and that ships and crews will be brought back to work at the earliest possible moment," he said.

However, the GCBS did not disguise its surprise at what appeared to represent a sudden about-turn in the attitude of executive officers of the union.

Only a day previously Mr. Slater had argued forcefully that the arbitration offer had come too late and he thought it unlikely to be acceptable to seamen after four weeks of industrial action.

Until last weekend, however, the union had argued for arbitration as a way out of the dispute in the face of employers' resistance to a claim which the GCBS estimates is worth 19½ per cent.

The union had rejected also an employers' offer made at the weekend to grant overtime at time-and-a-half in a staged deal over two years.

Its decision yesterday to telex the GCBS with its new terms for arbitration came amid unconfirmed reports of outside pressure for a conciliatory move.

The union recently hardened its stance. It was encouraged by the effectiveness of its industrial action strategy and by independent pay deals in excess of the 12 per cent maintained by GCBS policy reached with some shipping companies. These included a 14 per cent settlement last Saturday with Fyffes Group, the banana-shippers.

Ford truck drivers vote to end strike

BY NICK GARNETT, LABOUR STAFF

TRUCK DRIVERS at Ford's Dagenham site, whose two-week strike severely curtailed the company's vehicle output, agreed yesterday to return to work this morning.

Most of the 20,000 workers laid off because of the dispute are being recalled today after the 440 drivers voted to accept a peace formula recommended by national officials of the Transport and general Workers' Union and shop stewards.

The dispute was sparked off by the company's use of an outside haulier to transport parts from Genk, Belgium, to Dagenham. The drivers said this contravened a 1977 agreement providing for up to five trips a week to and from Genk for Ford company drivers.

These runs ended in May last year because of changing production needs. The dispute later became one over the protection of overtime earnings when the company was reviewing the economics of its own fleet on Continental runs.

The formula, agreed on Friday, involves the company setting up three trial runs to Continental plants to establish the economics of such runs for the company's trucks. These will be completed by February 21.

The company has already carried out a series of trial runs. Management says these showed that company drivers could only do runs to Bordeaux economically.

The agreement also says that in view of the union's concern at the long-term operation of the Ford fleet, a national level union-management meeting will be held to discuss the company's strategy on placing outside transport contracts and the need to operate the fleet profitably.

The union and management have agreed to return to the commitment to honour the spirit of the 1977 understanding, but in the light of practical difficulties associated with providing a regular commitment to five trips a week to northern Europe.

Teachers to demand 15% pay rise

By Michael Dixon,
Education Correspondent

THE GOVERNMENT'S plan to restrict public-sector pay increases to 6 per cent came under further pressure yesterday when unions representing 480,000 schoolteachers in England and Wales decided to demand a 15 per cent rise from April 1.

The claim was agreed in London by the unions' panel of the Burnham negotiating committee. It will be submitted to the employers' panel comprising local authority and central Government representatives, on February 18.

Mr. Fred Jarvis, the leader of the unions' panel and general secretary of the National Union of Teachers, said all the teachers' major associations fully supported the demand. The only dissenter was the relatively tiny Professional Association of Teachers whose members are pledged never to strike.

"The 6 per cent clearly does not meet the criteria we have put forward in our claim, particularly on pay relativities," he said.

The demand's object was to maintain the value of teachers' salaries in terms of the pay of other appropriate groups and to uphold school staffs' standard of living in relation to the Retail Price Index.

Mr. Jarvis said 15 per cent was a tenable figure, particularly because several recent pay awards were in double figures.

EPTU warns Labour over affiliations bar

BY JOHN LLOYD, LABOUR CORRESPONDENT

THE Electrical and Plumbing Trades Union is to write to Mr. Ron Hayward, general secretary of the Labour Party, warning him that if a decision made last month by the party's national executive committee is not set aside, it will take legal action against the party.

The NEC decision, taken against the advice of the party's national agent, Mr. David Hughes, was to freeze a number of applications for affiliations made by EPTU members to the general management committee of the Dulwich Constituency Labour Party.

This followed complaints from the CLP that a number of the union's members had been affiliated without the knowledge of their branches.

Closed-shop rebel reprieve

JOANNA HARRIS, 20, a West Midlands poultry inspector who refuses to join NALGO in opposition to Sandwell District Council's closed-shop policy, refused to be interviewed by council officials yesterday and won a temporary reprieve.

The council said it did not wish to be "undemocratic" and would rearrange the interview. Miss Harris was due to meet Mr. James Prior, Employment Secretary.

Cabinet to discuss 6% offer to civil servants

BY PHILIP BASSETT, LABOUR STAFF

LORD SOAMES, Lord President of the Council and the Minister in day-to-day charge of the Civil Service, agreed yesterday to consult Cabinet colleagues over union protests against a 6 per cent pay offer for 550,000 white-collar civil servants.

This was further than some union leaders last week thought he might go following the immediate tabling of the offer in response to a 15 per cent claim, but it was not felt among the unions yesterday that a Cabinet discussion might indicate a readiness to improve the offer.

Lord Soames told the unions there was no justification for their seeking increases of 15 per cent. He said many pay increases in the current round had been in single figures, and the indications were that they would continue to fall.

While he did not say the 6 per cent was final, the Civil Service Department's room to manoeuvre on pay is extremely limited at present, though much will depend on the outcome of soundings in the Cabinet. It is thought that the Prime Minister is herself opposed to increases beyond 6 per cent for the Civil Service.

Lord Soames stressed the harsh economic position, and said account had to be taken of greater job security in the Civil Service.

He made it clear, too, that the option of arbitration, which some more moderate union leaders have seen as a possible means of avoiding damaging industrial action in the service this year, was inconsistent with the application of cash limits to determine pay increases.

However, he agreed to consider the unions' case and to consult his colleagues on pay and department officials on a future pay system for the service. Further meetings between the two sides are expected.

Mr. Bill Kendall, secretary-general of the Council of Civil Service Unions, said the position had not altered perceptibly since the offer was made last week.

Bristol bus row

BRISTOL'S BUS services were again at a standstill yesterday because of the continuing dispute over increased fares. Talks between union and management were held to end the row, which has so far led to the sacking of nine busmen and the suspension of about 100 others.

Pay walk-out

FIFTY WORKERS at the Coventry car components factory of Torrington walked out yesterday in a pay row, causing more than 200 others to be sent home. The stoppage was apparently due to some workers refusing to accept a 7 per cent pay increase.

Court backs jobs study secrecy

FINANCIAL TIMES REPORTER

A CENTRAL Arbitration Committee decision that a chemical company should disclose confidential information about a job evaluation scheme to the white-collar union, ASTMS, was set aside by the High Court in London yesterday.

Allowing an appeal by BTP Tioxide, of Billingham on Teesside, Mr. Justice Forbes said the CAC had misdirected itself in law when making its decision last July.

It had described as "well-founded" an argument by the Association of Scientific and Managerial Staffs that under Section 17 of the Employment Protection Act the company should disclose job-evaluation information.

The CAC was called in after a dispute over the re-evaluation of a Grimsby employee's job. His union representative's request for disclosure was refused by the company.

The CAC held it would be contrary to a reasonable interpretation of the Act to find that the union, which held the recognition agreement, could demand information needed for collective bargaining, but not when representing individual employees.

Giving a reserved judgment, the judge yesterday held that such a split was not contrary to the Act.

An employee's appeal over the re-evaluation of his job might give an individual the right to be accompanied at talks with management by a union representative, but that gave the union no collective bargaining rights.

The employers in the present case were, therefore, right not to give the information demanded.

The judge added: "The committee misdirected itself as to the legal interpretation of the statute, and as far as I can see the agreement as well. This appeal should be allowed."

Technical Page

EDITED BY ARTHUR BENNETT AND ALAN CANE

Speeds work in the buying office

WHERE MESSAGES with various standard formats have to be sent by telex to a number of different addresses—often the case in a buying office for example—then a system devised by Automation and Technical Systems of Haywards Heath (0444 52377) should prove useful.

For many company buyers, says ATS, telex is still the quickest, cheapest and most reliable way of getting competitive quotations from vendors. But congestion can occur, leading to many dialling attempts being made before connection is established.

The ATS answer is to automate the procedure using a system consisting of its Vitel telegraph compatible editing and control VDU terminal, a microprocessor-controlled automatic dialling unit with 46,000 characters of memory, and interfaces to four telex lines. With a logging printer the price is about £11,000 and leasing can be arranged at about £400/month.

Messages are prepared on the screen using the typewriter-*format keyboard with* assistance from eight phrase keys which automatically enter such common phrases as "Please advise price and delivery for."

The completed message is held in the VDU's memory until all the destination addresses have been entered — achieved simply by keying in a four digit code (a short-form address) instead of the full telex number and answerback.

With message and addresses selected, one button depression transfers the data to the autodialler system which simply deals with each call in sequence. In each case, when it gets the correct answer back the machine sends the appropriate message and logs it, and the acknowledgement, on the printer.

While this is going on the buyer can be entering other data or can turn his mind to other business while the machine cranks out the telexes.

John Cook, managing director of ATS believes that the system will be equally attractive to other senders of multi-address messages such as travel agents, distribution managers, brokers and shipping executives.

However, some note has to be taken of the job involved. The machine will for example, send 38 messages 1,000 characters long to 100 addresses. Allowing for a 50 per cent success rate in dialling (which British Telecom might well take issue with), the system could handle 7,600 diallings and clear its traffic comfortably in a day's work. The job could, according to ATS, take a single operator several days.

On the other hand the system would not be so viable if the requirement was to send 38 such messages to the same address. There would then be only 76 diallings which would be handled manually.

GEOFFREY CHARLISH

Word processing guide

THE FIFTH annual International Word Processing Equipment Guide has been published by Geyer-McAllister in association with Covent Garden Publications at £35.

Each new edition of this book is a reflection of the growing and changing nature of the industry. In 1976 when the Guide first appeared there were only five machines to be listed. Now there are about 100 text editors alone. The publication also lists dictating machines, electronic typewriters, facsimile machines and phototypesetters.

Of particular interest to new buyers is a chapter called "How to choose a word processor."

Developments seen by editor Andrea Wharton include larger memories, clearer printing, and more help for the operator from the machine.

Later, she expects increased activity devoted to integration between workstations, within offices and externally, and a move towards integrated databases within companies, into which word processing will be drawn. More on 01-940 7368.

A tale of two computer services industries

BY ALAN CANE

COMPUTING SERVICES in the UK and in France are expected to grow at roughly the same rate, *25 to 26 per cent, in the* years to 1984.

The pattern of growth in the two countries will be distinctly different, however, reflecting differences in internal dynamism and government interest.

The broad outlines of that growth have been traced by Input, a leading U.S. consultancy, in reports on the UK and French computer services for 1980, the first of a series covering all European countries.

According to the author, Mr. Michael Longy, the chief difference between the services in the two countries is the diversity in the UK compared with the homogenous nature of French services.

France is, however, the largest single country market in Europe with revenues of FFr 6,038m in 1979, and Mr. Longy reckons it will maintain that leading position.

His report notes: "The aggressive and buoyant confidence of the leading French services vendors is the hallmark of their leadership status among all the countries of Europe. The chief characteristic of this leadership is the speed with which new developments are brought to the market."

The reason for this buoyancy, according to the report, is at least in part, government attitudes: "This dynamic growth is fuelled by the present central government's policy for the data processing industry. *This policy has picked out the* computer services sector for special attention and support."

In comparison, the report on UK services records clear signs that confidence has been shaken: "*In* 1980, the market has experienced a slowing down in growth rates in processing services (companies that carry out your computing for you) and professional services (companies that help you carry out your own computing) as the recession hits hardware shipments."

Mr. Longy makes it clear that *the diversity he found in the* UK services business is generated from within and not, as in France, through government intervention: "The dp (data processing) industry in the UK has been characterised by very limited government support for computer services . . . the UK differs from France in that the support policy when it existed, did not take into account the far-reaching effect of computing on the ways in which working life can be conducted."

In both the UK and France, *most growth over the next few* years is likely to be in software packages, computer instructions for a particular application which can be sold to many different customers and which need only slight tailoring to suit them all.

In the years to 1984, sales in the UK were expected to rise from £115m to £485m, whereas in France sales were expected to move from FFr 754m to FFr 3,587m.

Dp managers now see proprie*tary software as the primary* vehicle to deal with an increasing backlog of work, the report points out, noting that the market growth comes from three directions: and increasing tendency for manufacturers to charge separately for software, growth of independent software companies and the growing trend for software houses to turn successful products into packages to secure repeat business.

Mr. Longy pointed to the poor image turnkey systems have in both France and the UK, compared with the U.S.

The chief problem seems to be a reluctance among suppliers to take responsibility for the installation of a complete system—and a record of poor results when they do so.

A turnkey system is simply hardware and software supplied by a single vendor and integrated into one system designed to fulfil completely the process*ing requirement of one or more* applications.

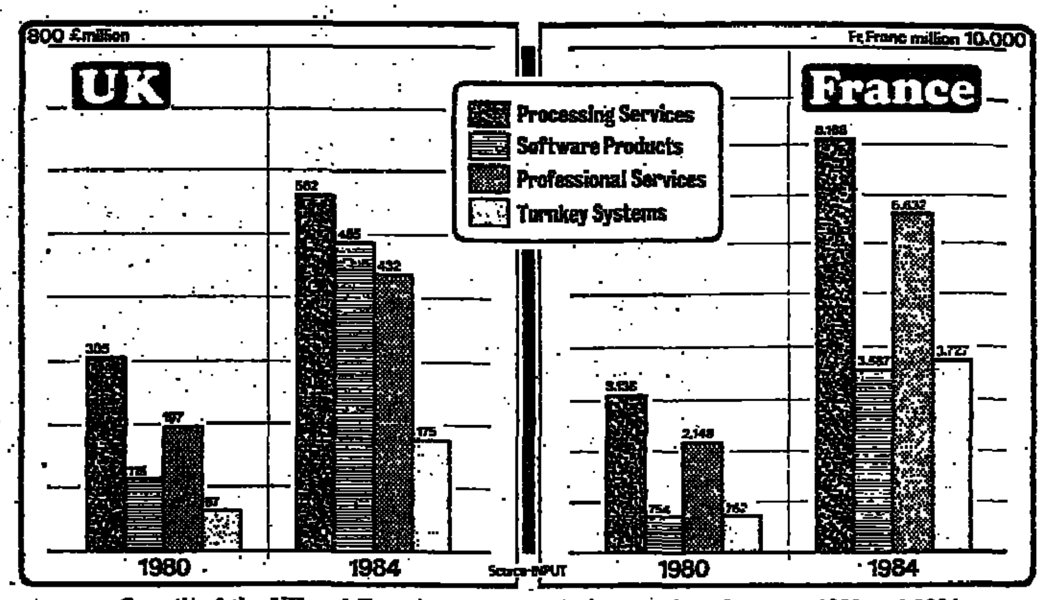
The UK report says that lack of the capability to maintain the hardware is the chief obstacle to systems houses' ability to provide a credible image. Nevertheless, by 1984, the market for turnkey systems from both mainframe computer manufacturers and independent systems houses will total £400m of which the independents will supply £175m worth.

It picks out Systime, a Leeds-based systems house dealing chiefly with Digital Equipment hardware, as the major UK success in turnkey systems with 11 per cent of the independents market *ahead* of ADS Computers and British Oxygen's computer services division.

It warns however: "It is too early to predict a long and prosperous life for Systime. The stage the company has reached is the dangerous middle ground in which it cannot test. By 1984 Input believes, Systime must have reached at least £50m in annual turnover to be able to compete successfully against the hardware giants.

In France the problem of providing *satisfactory hardware* maintenance is as intractable as in the UK. The market, nevertheless, is expected to reach FFr 3.7bn by 1984; according to Input, the impetus from government as it fosters information technology will carry the vendors.

Both reports are available from Input at £200 each; details on 01-439 4442.



Growth of the UK and French computer services markets between 1980 and 1984.

NEWS IN BRIEF

LASERS

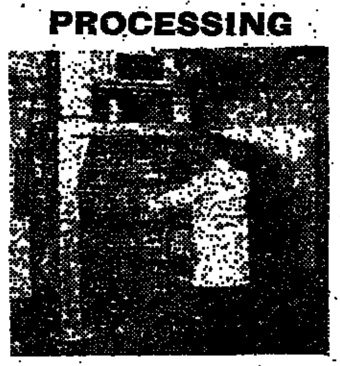
INTRODUCED by Control Laser of Daventry (03272-4813) is a 500 watt carbon dioxide laser cutting machine aimed at industries that have to carry out profile cutting of flat sheet materials ranging from wood to titanium.

Immediate advantages are high utilisation of the sheet using computer nesting techniques, cutting to extremities of the sheet, ease and speed of cutting (especially where intricate shapes are involved) and the fact that no tool changes are needed for different jobs. Computer numerical control and line following versions of the machine can be supplied.

Soon the company will also introduce a solid state laser unit (400 watts) intended for micro-welding, micro-drilling and other micromachining applications.

Control Laser, which is 45 per cent owned by Control Laser Corporation in the U.S., last year bought out the premises and manufacturing rights of the former BOC Industrial Power Beam division. It expects its turnover to reach *£2m in 1981*, mainly through exports, and will continue to make the big 2 kW carbon dioxide unit inherited from British Oxygen.

PROCESSING



BOX OVENS offering semi-automatic operation for heat treatment of metal, plastic and rubber components, and ceramics, either for paint stoving or lacquer curing, have been launched by Mindon Engineering (Nottingham), Brookhill Industrial Estate, Brookhill Road, Pinxton, Notts. (0773 810034).

Built of galvanised sheet inside and out, the ovens are said to have high efficiency insulation and a single full-aperture front loading door.

The heater bank of Incoloy sheathed electrical elements is located on the roof of the oven, and the heated air is drawn by a recirculating fan through the interior ducting system. This design gives precise control and achieves rapid build-up to the normal operating temperature of 200 degrees C.

Standard control console permits semi-automatic operation, holding the temperature within ± 2 degrees C, and only recording process time when the oven is operating at the pre-set temperature.

When the heat treatment is completed, the system either switches off the heater or a bell rings to alert the operator that the oven can be reloaded.

CIRCUIT DESIGN

A COMPUTER-AIDED design and manufacturing system for hybrid circuits has been launched by Applicon which could speed up design procedures by ten times, claims the company.

The need for such systems increases as hybrid circuits get denser: soon, traditional manual design will become impossible economically, says the company.

The system uses an Applicon 32 bit mini in tandem with a PDP 11. Colour or black-and-white displays can be employed, with a selective erase feature which can speed things up by reducing the number of "repaints." Colour is particularly useful to differentiate the layers on a dense layout or to distinguish connection faults. Plotters and other peripherals are available. Applicon is at Heaton Lane, Stockport, Cheshire SK4 1DA.

COMPUTING

THOSE WHO are thinking of employing a small computer system of up to about £15,000 in value will be interested in the fact that the National Computing Centre has opened a new division called The Microsystem Centre.

The aim is to educate and inform the potential user with a view to helping the country's small businesses and professions to improve efficiency and effectiveness.

The Government, through the Department of Industry, is providing initial funding but it is anticipated that as subscribers grow in number the centre will become progressively self-funding.

Training, for example, will include part-time evening and week-end courses and there will also be cassette-based home teaching programmes. The NCC is in Manchester on 061-228 6333.

NEW MARKETS

ELECTRONICS-BASED products and services specifically for the commercial market will be available now from the newly-created Rediffusion Business Electronics.

Initially, this will comprise the Rediffusion group's music companies and the businesses run by the company's Industrial Services and by the Telecom companies in Europe.

The new organisation is aimed at markets which lie between the domestic field served by Consumer Electronics division on the one hand, and the high-technology markets of Redifon companies, such as computers and flight simulators, on the other.

PLATING

PLATING PLANT for printed circuit boards said to offer greatly improved production standards and cost savings for the electronics industry has been launched by Alford Process Equipment of Camberley (0276 27638).

Known as the 5000 series, the equipment can be supplied for an electroless copper plating line, an electroplating line for plating-through-hole work and for electro-gold plating.

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APPOINTMENTS

Powell Duffryn group posts

Mr. Desmond Raper and Mr. Bryn Thomas have been appointed to the Board of POWELL DUFFRYN SHIPPING SERVICES. Mr. Raper is the north-east area director of the company and will continue to be based in Hull. Mr. Thomas will continue to have special responsibility for cargo sales and will remain in London, at Europe House.

★

Mr. D. E. Church, a director and company secretary of BILLITON (UK), has taken over additional responsibility for the company's newly-created lead and solder division. Mr. Church has been a director for a number of years. He has not recently joined the Board as reported on Saturday.

★

Mr. John Lumsden has been appointed a director of MOTHERWELL BRIDGE (HOLDINGS) of which he is company secretary. He continues as a joint managing director of the main trading subsidiary Motherwell Bridge Engineering.

★

Mr. David Rolt has been appointed a director of SIR ROBERT McALPINE AND SONS. He is the company's Midlands area manager.

★

Mr. R. O. P. Greig has been appointed managing director of Jebsens (UK) and Pacnorse (UK), members of the JEBSENS GROUP of which the parent company is A/S Kristian Jebsens Rederi, of Bergen.

★

Mr. Edward Harrison has been appointed chairman of T. C. HARRISON following the recent death of his father, Mr. T. C. Harrison, the group's founder. Mr. George Read, Snr., continues as vice chairman.

★

Mr. Peter Lightfoot will be joining the FREDERICK PARKER GROUP as financial director (designate) from February 23

★

Three new board appointments have been made by BURGESS ARCHITECTURAL PRODUCTS, a subsidiary of Burgess Products Company (Holdings). Mr. Jeffrey Chard is now managing director, Mr. Philip Harris, a director and company secretary, and Mr. Peter Verrell, sales director.

★

Mr. Ronald Watts has been appointed assistant director of legal services, BRITISH GAS. He was previously assistant head of legal services.

★

Mr. Robert J. Preston, Henry Boot group financial controller, has been appointed finance director of the parent holding company, HENRY BOOT AND SONS. He retains his position as finance director of subsidiary companies Henry Boot UK and Henry Boot International.

★

Mr. Howard Bennett, managing director of HOLMES McDOUGALL has, for personal reasons, resigned from the company and its subsidiaries. Mr. J. Bellingham, currently group financial director, has been appointed assistant managing director and will act as managing director pending a full time appointment.

★

Mr. A. C. Shennan and Mr. J. H. Wright have been appointed to the Board of CONTINENTAL TYRE AND RUBBER COMPANY. Mr. Shennan, who is made financial director, will operate from Coulsdon, and Mr. Wright, who will be sales director, technical products, will be based at Rugby.

★

BALFOUR BEATTY, a BICC Group company, has appointed three directors: Mr. M. F. Julien and Mr. P. E. Clarke are appointed non-executive directors and Mr. G. J. Grist is appointed finance director.

★

Mr. P. G. House has been appointed to the Board of SMITH KLINE AND FRENCH LABORATORIES.

★

J. D. BOYAGIS (UNDERWRITING AGENCIES), has appointed Mr. J. W. Leonard, a director, and Mr. E. W. Gearing, secretary of the company.

★

Mr. Paul Jobling has been appointed development director of LESSER LAND. He was previously commercial director of Lesser Design and Build and prior to that commercial director of Lesser International.

★

Mr. Fraser Ashman has been appointed company secretary of the NATIONAL NUCLEAR CORPORATION and is based at Risley, Cheshire.

★

The Secretary for Employment has appointed Mr. G. R. A. Harris as a member of the NATIONAL DOCK LABOUR BOARD replacing Mr. Eric Bainbridge, who has resigned.

★

The NORTH OF ENGLAND BUILDING SOCIETY has appointed Mr. Angus M. Griffin as an assistant general manager at its head office in Sunderland.

★

Mr. Iain Dale has been appointed managing director of DALE ELECTRIC OF GREAT BRITAIN, a subsidiary of Dale Electric International.

★

LIBERTY AND CO. has formed a subsidiary called LIBERTY RETAIL to manage UK retail operations. Mr. David E. Pike becomes chairman and Mr. Harry Weblin, managing director, of the new concern. Other directors are Miss Rosalind Christie, merchandise, Mr. Stephen F. Saunders, finance and Mr. John S. F. Spooner, general manager (administration).

Following the reorganisation of the subsidiary Board of LIBERTY OF LONDON PRINTS, Mr. Oliver L. Stewart Liberty and Mr. Harry Weblin have resigned from that Board and Mr. Peter V. Hostler has been appointed sales director, Mr. John S. Laflin, design director and Mr. Stephen F. Saunders, finance director. Mr. Stewart Liberty has become managing director of Metz en Co., B.V., Holland.

Mr. David Pike took over as chairman and chief executive of the parent concern at the beginning of this month.

★

Mr. D. C. B. Winch, a director of Tarmac and chief executive of Tarmac Building Products and Dr. J. G. White, a director and deputy chief executive of Tarmac Building Products, have joined the Board of THOMAS WITTER AND CO.

★

ALEXIS MARTIN AIRCONDITIONING, of Surbiton, has made the following appointments. Mr. Robin Edwards, sales director, and Mr. Brian Key and Mr. Jan Jalovy, directors. Mr. Frank Jackson and Mr. David Evans have become divisional managers.

Overseas

Mr. Orland Tropea has been appointed to the new position of vice-chairman of BELL CANADA, Montreal. He was previously executive vice-president (corporate).

★

Mr. Robert L. Austin has been elected a director at AMERICAN BRANDS, INC., New York, as vice president, subsidiary administration.

★

Mr. John E. Jones has been elected senior vice president, finance, of CBI INDUSTRIES, INC., Illinois, and CHICAGO BRIDGE AND IRON COMPANY, its principal subsidiary, replacing Mr. William M. Freeman, who has retired. Mr. Jones continues as treasurer of both companies.

★

Mr. James H. Miller, Jr., executive vice president of Georgia Power Company, has been elected to the Boards of FIRST ATLANTA CORPORATION and the FIRST NATIONAL BANK OF ATLANTA.

★

Mr. Brian Klssack has been appointed general manager of the Frankfurt branch of CHEMICAL BANK. He succeeds Mr. Alfred Knör, who has moved to a senior position in the German banking industry.

★

LLOYD'S REGISTER OF SHIPPING has appointed Mr. B. S. Thompson as its principal surveyor for China under the jurisdiction of Mr. H. McLean, the senior principal surveyor for China, Hong Kong, Korea and the Philippines. All work in the Chinese Republic will be covered from a new sub-office established by Lloyd's Register in Hong Kong.

BASE LENDING RATES

A.B.N. Bank	14 %
Allied Irish Bank	14 %
American Express Bk.	14 %
Amro Bank	14 %
Henry Ansbacher	14 %
AP Bank Ltd.	14 %
■ Arbuthnot Latham	14 %
Associates Cap. Corp.	14 %
Banco de Bilbao	14 %
BCCI	14 %
Bank of Cyprus	14 %
Bank of N.S.W.	14 %
Banque Belge Ltd.	14 %
Banque du Rhone et de la Tamise S.A.	14½ %
Barclays Bank	14 %
Beneficial Trust Ltd.	15 %
Bremar Holdings Ltd.	15 %
Brit. Bank of Mid. East	14 %
■ Brown Shipley	14 %
Canada Perm't Trust	15 %
Cayzer Ltd.	14 %
Cedar Holdings	14 %
■ Charterhouse Japhet	14 %
Choulartons	14 %
C. E. Coates	14 %
Consolidated Credits	14 %
Co-operative Bank	*14 %
Corinthian Secs.	14 %
The Cyprus Popular Bk.	14 %
Duncan Lawrie	14 %
Eagil Trust	14 %
E. T. Trust Limited	14 %
First Nat. Fin. Corp.	16½ %
First Nat. Secs. Ltd.	16 %
Robert Fraser	14 %
Antony Gibbs	14 %
Greyhound Guaranty	14 %
Grindlays Bank	‡14 %
■ Guinness Mahon	¶14 %
■ Hambros Bank	14 %
■ Hill Samuel	§14 %
C. Hoare & Co.	†14 %
Hongkong & Shanghai	14 %
Keyser Ullmann	14 %
Knowsley & Co. Ltd.	16 %
Langris Trust Ltd.	14 %
Lloyds Bank	14 %
Edward Manson & Co.	15 %
Midland Bank	14 %
■ Samuel Montagu	14 %
■ Morgan Grenfell	14 %
National Westminster	14 %
Norwich General Trust	14 %
P. S. Refson & Co.	14 %
Rossminster	14 %
Ryl. Bk. Canada (Ldn.)	14 %
Slavenburg's Bank	14 %
E. S. Schwab	14 %
Standard Chartered	‖14 %
Trade Dev. Bank	14 %
Trustee Savings Bank	14 %
Twentieth Century Bk.	14 %
United Bank of Kuwait	14 %
Whiteaway Laidlaw	14½ %
Williams & Glyn's	14 %
Wintrust Secs. Ltd.	14 %
Yorkshire Bank	14 %

■ Members of the Accepting Houses Committee.
* 7-day deposits 11½%, 1-month 11¾%. Short term £4,000/12 months 13.35%.
† 7-day deposits on sums of £10,000 and under 11½%, up to £50,000 12%, and over £50,000 12½%.
‡ Call deposits £1,000 and over 11½%.
¶ 7-day deposits 12%.
§ Demand deposits 12%.
‖ 21-day deposits over £1,000 13%.

Dutch business plays a fortissimo role

The eagerness of companies to move into arts sponsorship is creating controversy. Charles Batchelor reports

TONY BOERSMA, a director of Westland Utrecht Hypotheekbank (WUH), the largest mortgage bank in the Netherlands, has turned a hobby into a valuable part of his company's image. A keen amateur musician and a member of the managing committee of the Dutch National Ballet Company, he has made his bank into the country's leading private sponsor of the performing arts.

Westland Utrecht has helped a number of young musicians over the threshold to a professional career by sponsoring records and performances. At the same time, Boersma believes, the bank has achieved an indefinable but definite improvement in its public image.

Dutch companies have realised later than their British and American counterparts the advantages of sponsoring the arts, though sports sponsorship has a long, if not untroubled history. The business community has had close contacts with the world of the arts though only in the last year or so have these taken the form of sponsorship proper—in the form of the deliberate linking of a company name to an artistic event to achieve an impact on the public.

This move by the business world into arts sponsorship has, however, set it on a collision course with the government, which is already a generous supporter of the arts. The Ministry of Culture is not prepared to pay out hundreds of millions of guilders annually to finance the expensive infrastructure and allow companies which put up only a few thousand guilders to walk away with the credit.

The extent of the state's involvement has undoubtedly reduced the need for private capital. Government support for the arts amounted to Fl 750m ($332m) in 1980. The Dutch arts budget has come relatively unscathed through the recent round of spending cuts and has risen at a faster rate than spending generally.

Until recently Dutch businessmen had supported the arts for a variety of reasons other than pure commercial sponsorship. Support often reflected an individual's own enthusiasm for the arts, some wished to add a touch of style to the boardroom while others sought to improve working conditions in the office and the factory.

A company which pioneered support for the arts after the war was the Bijenkorf department store group. In 1947 the company gave Fl 25,000 to help struggling Dutch painters—at a time when Amsterdam's main modern art gallery, the Stedelijk Museum, had an annual budget of only Fl 4,000.

The Bijenkorf collection now numbers 440 paintings, sculptures and other pieces. Displaying them in the company's stores is not possible but many works will be housed in its new headquarters which is soon to be opened on the outskirts of Amsterdam.

The Dutch banks too have been considerable supporters of the arts, combining altruism with a wish to brighten up their many offices. Algemene Bank Nederland and Amsterdam-Rotterdam bank both have street-level galleries at their head offices in Amsterdam. ABN's gallery is managed jointly with an arts foundation, which selects artists to exhibit for a month or so.

Heineken, the large Dutch brewer, sponsors sporting events to the tune of Fl 1m a year, but it too has a gallery at its Amsterdam brewery providing exhibition space for young and unknown artists.

Tony Boersma (left), a keen musician himself, has encouraged his bank, WUH, to sponsor young musicians, including the Russian pianist, Youri Egorov.

The idea of art in the factory was pioneered in 1960 by Alexander Orlow, then chairman of the Turmac tobacco company. The collection be founded, known as the Peter Stuyvesant foundation, now includes 800 works of art. The paintings and sculptures form a constantly changing exhibition in Turmac's factory at Zevenaar, near Arnhem, as well as at the group's other factories and offices in the Netherlands, Paris, Brussels, Geneva and Madrid.

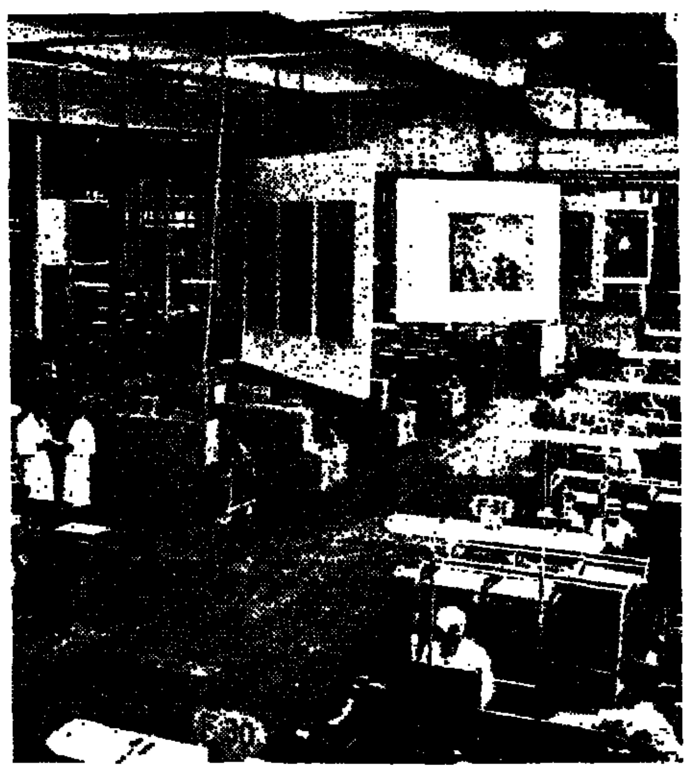
Since the intention was to relieve the monotony of factory work and the impact of even the most startling painting or piece of sculpture dulls with time the art works are moved around every eight to nine months between the different company locations. Turmac also sets aside Fl 100,000 to Fl 150.000 a year for adding to its collection.

Has Turmac been successful in its aim of improving factory *working conditions*? "*We cannot* produce figures to show absenteeism has been reduced or that productivity has increased," says Alexander Perk, who is responsible for the collection. "We only know that if there are no paintings hanging for a week or so because an exhibition is being changed we get protests from the workforce."

DAF trucks has developed the idea of art alongside the production line by commissioning a Dutch artist to design works *especially* for the bare factory walls of its Eindhoven assembly plant. Carla Kaper, already well known for her large-scale artworks in the Netherlands, visited the shopfloor and talked to the workforce before producing a number of colourful constructions to mark DAF's 50th anniversary.

DAF found Carla Kaper through the Foundation for Arts and Business, a non-profit organisation which has successfully been establishing links between the two sides for the past 30 years. The foundation is able to reassure businessmen that their money will not be wasted and helps artists to overcome their suspicion of the world of commerce.

Its director, Aat van Ijperen, is keen to see an increase in private sponsorship of the arts. "I don't think artists should depend only on the goodwill of government. Nor do I believe that art *will be corrupted by commerce* or that artistic work would be distorted in meeting the wishes of the company putting up the money. Art has a strength of its own. If anything I distrust government more than industry," he says.



The Peter Stuyvesant foundation includes 800 works of art—a changing selection hangs in the Turmac tobacco company's factory at Zevenaar near Arnhem.

The Westland Utrecht's entry into the world of sponsorship has begun a shift away from the graphic to the performing arts. Reflecting the tastes of Tony Boersma, a keen amateur pianist, the bank now spends around Fl 300,000 ($133,000) annually, mainly in support of chamber music. It has supported the Russian pianist, Youri Egorov, by helping to pay for concerts and printing and designing his publicity material.

The choice of chamber music is no accident. It is an area neglected by the Government, which anyway supports the big orchestras from which many of the chamber musicians come, and it is also an area where a little money can go a long way. A few thousand guilders will finance a concert or guarantee a certain number of record sales.

Boersma is keen to point out, however, that sponsors should be aware of the limits to which they can go. "There is hostility to the idea of big business taking over the arts. We had to ask an impresario to print the bank's name in smaller type on a programme to avoid creating that impression. The sponsor must never dominate." WUH is also careful not to become the sole source of support for an artist. Egorov is well established and the bank is now helping other artists.

What does the bank get out of the sponsoring arrangement? "It adds to our prestige with business contacts, customers and our own staff," says Boersma. "It softens the image of the bank and indirectly creates a favourable climate." While WUH got into sponsorship through Boersma's private enthusiasm no company can afford to subsidise a director's private whims. Sponsorship must be seen as a serious part of a company's public relations effort. WUH's success has prompted other companies, notably the clothing store group C and A, and Agfa-Gevaert, to start similar activities.

The possibility of a clash with the Government emerged at a symposium devoted to the theme of business sponsorship. The head of the arts directorate of the culture ministry, Jan Knopper, warned against letting business become a parasite on the state-subsidised arts. His fear was that businessmen would put a little money into sponsoring the popular favourites, such as Beethoven's Fifth Symphony and Mozart's Zauberfloete, leaving the Government to foot the large bill for maintaining the orchestras and the concert halls.

Ironically sponsorship is not a new idea. One of Rembrandt's most famous works, "The Night Watch," which hangs in Amsterdam's Rijksmuseum, was commissioned by a company of the city's civic guards, more than three centuries ago.

U.S. does a management U-turn

A MEASURE of practicality is being added to the curricula of a small, but growing number of American business schools. The *factory floor is rapidly re-emerging* as the focus of attention and instead of getting embroiled in management science and business policy the business school student is likely these days to participate in courses with a much more nuts and bolts flavour.

This growing preoccupation with manufacturing and the potential it offers for greater efficiencies and cost savings is not only confined to the business schools, however. According to Business Week, the U.S. magazine, an increasing number of companies, many of them major corporations, are turning their attention to the factory floor and are looking at ways to in*crease productivity at the lowest* cost.

Money saving techniques being adopted are not new in themselves, says the article, and may well have been used at individual plants within a large company. The difference now, however, is that "top management is pulling out all the stops in its attempts to make sure that anything that works in one plant is being implemented in other and that plant managers who have reduced costs by, say, 5 per cent do not rest on their laurels when an additional 10 per cent saving might be readily available."

On the movement developing in business schools, the article cites the dean of one school as saying that in the 1960s courses tended to be descriptive—not analytical—and included things like plant tours. Then the technicians took over and, "while the old guys would show how a company made scheduling decisions, the new approach was to build models."

Steven C. Wheelwright, an associate professor of manufacturing policy at Stanford University's Graduate School of Business, is quoted as saying that he had a list of 80 large companies interested in recruiting graduates directly into operations rather than into staff positions. And "numerous" corporate leaders agreed that the practical side of business would probably turn into a viable route to the top in business.

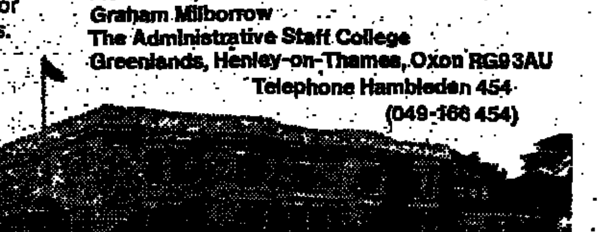
Short set-up

As well as illustrating the kind of savings which companies—such as Chesebrough-Pond Inc—are achieving by paying more attention to the "nuts and bolts" of business, the article relates how American companies are looking to the Japanese for business wisdom—a trend that is under way in Europe as well, as highlighted on this page in the recently completed series of articles on quality circles.

At Westinghouse Electric Corp, L. J. Hudspeth, the vice-president for productivity, is quoted as being "excited" about the potential of a Japanese system of Kanban, "which represents a total reversal of U.S. conventional wisdom on production runs." Whereas American practice is to concentrate on the longest, fastest runs for making parts in plants, paying little attention to tooling up times and increasing the costs of carrying inventories, Kanban is the reverse.

The Japanese system stresses short set-up times, regardless of the length of the run. "Hudspeth notes," says the article, "that one Japanese auto company has *designated ten minutes* as the maximum set-up time. It concentrates on short production runs and has been able to cut its parts inventory to one hour. 'We think in terms of weeks of inventory,' Hudspeth admits."

Nicholas Leslie



LOMBARD

Neddy starts to pick winners

BY JOHN ELLIOTT

RATHER LATE in the depressing history of Britain's industrial decline, a glimmer of sanity has just appeared on the horizon. If it is not extinguished by extremists who see industrial policy in the black and white terms of pure market forces or State ownership, it could blossom into a sound base from which to examine the future.

First list

The National Economic Development Office, in the words of its director general, last week "stuck its neck out" and published the first authoritative list of potential industrial winners, survivors, and losers to appear in Britain for some time.

The presentation of the list to last Wednesday's National Economic Development Council meeting was overshadowed by general word-mongering about the state of the economy which took place under the chairmanship of the Prime Minister. But the fact that the list appeared at all and was not instantly dismissed by Mrs. Thatcher, Sir Keith and the CBI leaders (who actually welcomed it) is a significant advance.

For too long Britain has fought shy of adopting methods used in countries like Japan and France to analyse industrial successes and failures. This is partly the fault of the polarisation of politics on industrial issues, together with the failure of earlier economic planning attempts. There is also a misplaced belief that the steering of industrial events has to be left to the "market."

Politicians, civil servants, industrialists and union leaders have no detailed and practical foundations on which to base their policies. Ministers stumble almost blindly into propping up BL or British Steel, for example, without public consideration of the alternative industrial projects on which the same amounts of money could be spent. Civil servants offer selective industrial aid to foreign investors like Mitel or Nissan, to UK companies with problems like Dunlop or Bowater, or (maybe) to private steel companies engaged in a restructuring exercise, without any public understanding of the country's industrial objectives and potential. The CBI and other lobbyists, as well as individual companies and trade unions, try to persuade the Government that its policies are doing serious damage to parts of the country's industrial base without there being any consensus on what that base is, or should be.

The Department of Industry may have assessments locked up in its filing cabinets which are duly put in front of Ministers at opportune moments, but that is not an alternative for a public assessment of what should be Britain's winners or losers. The Neddy document — prepared from the views of companies and unions involved — was a first step towards what is needed, although by only identifying broad sectors as winners (such as micro electronics), or machine tools as losers, it left a lot of questions unanswered.

But once a debate is started—whether by Neddy, the CBI (perhaps jointly with the TUC?) the Government, or some new institute — it would then be possible to move on to the next stage.

Technology

This involves picking more specific winners, survivors and losers, and considering how public funds can best be used to boost the operation of the market, for example by accelerating the development and application of new technologies. Sometimes simply naming the winner may induce the market to move without financial pump priming. Sometimes there may be a case for using public funds for less obvious winners, or for easing the decline of the losers.

Critics of course point out that Japan's planning methods are not all pervasive, nor entirely successful, and that France's "winners" have sometimes come unstuck. But the UK's industrial record is nothing to be proud of. So at a time of rapid technological change and internationalisation of industry, plus the inevitable involvement of the Government in key decisions, the Neddy paper should be seen as a turning point.

The mail order vintage merchants

WINE

BY EDMUND PENNING-ROWSELL

IT IS NOT EASY these days to be a merchant dedicated above all to selling vintage wines, for unless one has a sheet-anchor of everyday-selling wines and spirits or some other form of bread-and-butter trade, it is well-nigh impossible to make a living by them.

It need not be suggested that the whisky gets into the wine of Berry Bros. and Rudd or the beer into the wine department of Adnams of Southwold, to believe that it must be comforting to be the proprietors of the best-selling Cutty Sark whisky or the producers of an excellent ale.

The term vintage wines needs some explanation for, after all, Beaujolais Nouveau is a vintage wine, and dated labels will more often than not be found on Muscadet, Valpolicella and even much Liebfraumilch. The definition really implies wines of certain successful years that by and large are bought soon after they are produced, though not necessarily then shipped, and are then often kept in bottle by the merchant until they are reasonably mature or at least until his customers are prepared to buy them and, it is to be hoped, for a further period refrain from drawing the cork.

In these days of inflation and high interest rates it is very hard for a wine merchant to keep such wines almost indefinitely and to secure a resonable return on them, sufficient to allow their replacment.

Moreover, for the most part the only way nowadays to sell vintage wines by mail. At one time the retail wine trade was largely concentrated in London around St. James's, and fine wine could be bought across the counter, or better still, in the partners' parlour.

But today some of the most enterprising wine merchants are dispersed throughout the country. Much, therefore, must depend on their mailing lists. They need not be opulent. Quite a number rely on typewritten ones: for example the discriminating German and Bordeaux list of Henry Townsend of Coleshill, Amersham, or the imitation-typewritten yet very comprehensive catalogue of Tanners of Shrewsbury. Harrods' latest list is in such small typewriter type that in that different world a monocle or lorgnette may be required to scan this impressively comprehensive compilation.

It must be admitted that the level of typography is low even among the most distinguished lists, including Harveys of Bristol, who separate each wine from its neighbour by a horizontal line across the page. Yet at one time it had the most distinguished-looking catalogue in the trade.

The current list that shows most evidence of having actually been designed is the sumptuous one of Lay and Wheeler of Colchester. On its well-printed 64 pages of laid paper are displayed as mouth-watering a list of wines as one can find in Britain today. Who else can offer more than a dozen 1961 clarets? From £10.35 for a Ch. Dutruche of Moulis to £52.60 for a Latour — though under their complicated code of terms *15p a bottle may be saved* if one orders a dozen of any of their finer bordeaux and burgundies! A list to take to bed with one.

Another impressive list in presentation as well as in content is the much slimmer volume of Corney and Barrow, now moved to a former City vicarage at 12, Helmut Row, EC1. The personal comments of the directors on vintages and wines are particularly illuminating.

The only criticism to be made of both lists is that all prices are exclusive of VAT. So is that of Tanners, which has a specially interesting list of Rhône wines and an unusually long claret range. The arguments for excluding VAT are usually that the rate may change during the list's currency and that the prices quoted are "wholesale." But hitherto rate changes have been rare, and, to judge from many lists, we are all in the wholesale trade now.

Meanwhile, for the majority of customers for whom the lists are planned, the printed prices are misleading, and VAT cannot readily be added to often irregularly priced wines. Even that most conservative of merchants, Berry Brothers, whose vest-pocket list has not altered for at least 40 years, has now gone over to VAT-inclusive prices.

Circumstances have forced lists generally to be much more informative than in the past. But often they still seem to be addressed to the sophisticated. How else but on price would one pick out a single 1978 claret from the 50 on the Lay and Wheeler list, though a head-note suggests a few. Or even which selection from Avery of Bristol's 24 1970 red burgundies?

However, not only space considerations make individual notes on each wine difficult to include. For wine is notoriously difficult to describe, and attempts to do so have provided the uninitiated with many a complacent laugh.

It is the lesser-known wines that need annotating, for those prepared to buy expensive wines may be presumed to know their business, or if buying only by label are not worth worrying about.

Many of the smaller firms that have developed in the last 10 years or so—one of the wine trade's most encouraging features in a period when the larger groups have been retrenching—have tended to specialise in the wines of particular districts or countries, and produced lists accordingly. Roger Harris of Loke Farm, Weston Longville, Norfolk, confines himself to Beaujolais and white Macon. His list includes a reproduction of the label of each wine, a comment on it, and a note on the different wines of the region.

In view of the rising interest in Riojas, three firms have sensibly specialised in Spanish wines. Laymont and Shaw, The Old Mill, Truro, also has an extensive list of Catalan wines, and includes Spain's most distinguished red wine, Vega Sicilia, from near Valladolid. The pleasantly produced list of Arriba Kettle, St. Philips Place, Birmingham, is usefully annotated, and Pengallic Wines of Thame and 2, Norfolk Place, W2, lists no fewer than 40 red and white Riojas.

Oddly enough, Italian wines appear not to have attracted specialisation to the same degree, perhaps because there are far too many—all the way from the Brenner to Sicily—to make a representative stock possible. However, a discriminating pioneer in this field has been Stonehaven Wines, Headley Down, Bordon, Hampshire. The list is as carefully considered a selection that one is 'likely to receive' in this country.

California wines are fashionable here now that the fall in the dollar has made them accessible. The most comprehensive list is certainly that of Geoffrey Roberts, 8a Dilke Street, SW3. As he has a wholesale licence, he sells wines only by the unmixed dozen.

Finally may be mentioned interesting lists from small firms that have recently come my way. Hicks and Don of Coulston, Westbury, Wiltshire, is run by two Masters of Wine and specialises in opening offers of vintage wines. The Connoisseurs List of Wilsons, Market Street, Bromsgrove, Worcestershire, deserves a good word for including Madiran and Jurançon from South-West France and a range of inexpensive Bulgarians. Côte d'Or Wines, 88 Pitshanger Lane, W5, have a fair list of burgundies and Rhônes, while a very new firm with a 1981 list is Christopher Lyon, Hill Cottage, Upton Grey, Basingstoke, with a careful selection of French wines and Riojas.

Good wines may still need no bush, but these days they need something more than bush telegraph to sell them.

Heavy going for the Schweppes

RACING

BY DOMINIC WIGAN

WITH THE Schweppes Gold Trophy only four days away those trainers who have been pinning their hopes on testing conditions must be more than hopeful that they have got the ground they want.

Paul Kelleway, Les Kennard and Ian Wardle, the respective handlers of Grey Mountain, Walnut Wonder and Golden Cymbal will be happier than most at the thought of holding conditions.

Grey Mountain must come into any serious calculations following his run at Kempton three weeks ago on firmer ground than he appreciates. Further, he had been a good third behind Jack O'Lantern and Mackelly in the L'Real Hurdle on the Berkshire course 14 months ago when tackling similar conditions.

At Kempton Grey Mountain, on his first outing of the campaign, nearly belied odds of 20-1 in going down narrowly to Walnut Wonder and Run Hard in the Lanzarote Hurdle.

With the benefit of that much needed run behind him and more favourable going assured, this Town Crier grey's each-way appeal for many is obvious at 20-1.

Walnut Wonder, 2½ lengths in front of Grey Mountain at Kempton, showed his appreciation for plenty of cut in the ground on several occasions last term.

Walnut Wonder is offered at 25-1.

Golden Cymbal, formerly trained in Ireland (a country responsible for the previous Schweppes winners Good Review and Irish Fashion), was revelling in bog-like conditions when landing consecutive handicap hurdles at Punchestown last season.

A close second in yielding conditions behind Ekbalco in November at Sandown, where he had 15 behind him, Golden Cymbal is available at 33-1 for Saturday's race.

Final Argument has his third race today in a Haig Whisky Qualifier, when taking in Carlisle's event in the series. This horse continues to disappoint but I cannot believe Gordon Richards would be running him if he was not hopeful of an improved display. Ron Barry's mount is taken to surprise Wink The Cop and Mr. Shugg.

CARLISLE

1.45—Ismolleen
2.00—Lakeland Lady**
2.45—Final Argument***
3.15—Waggoners Walk*
3.45—Clown Court
4.15—Flying Waiter

TV/Radio

✢ Indicates programme in black and white

BBC 1

9.05 am For Schools, Colleges. 12.42 pm Regional News for England (except London). 12.45 News. 1.00 Pebble Mill at One. 1.45 Pigeon Street. 2.00 You and Me. 2.14 For Schools, Colleges. 3.20 Pobol y cwm. 3.53 Regional News for England (except London). 3.55 Play School. 4.20 Touche Turtle. 4.25 Jackanory. 4.40 Animal Magic. 5.05 John Craven's Newsround. 5.10 Grange Hill.

5.40 News.
5.55 Nationwide (London and South East only).
6.20 Nationwide.
6.45 Rolf Harris Cartoon Time (London and South East only).
7.15 Taxi.
7.40 Six of the Best: The Man From UNCLE.
8.30 Seconds Out.
9.00 News.
9.25 Play for Today.
10.35 Omnibus.
11.25 Platform One.
11.55-12.00 News Headlines.

All Regions as BBC1 except as follows:

BBC Cymru/Wales — 11.38-12.03 pm Dechrau siarad. 5.15-5.40 Billdowcar. 5.55-6.20 Wales Today. 6.45 Tom and Jerry. 7.00 Heddiw. 7.30 Pobol y cwm. 8.00-9.00 The Superstars. 11.55 News Headlines, News and Weather for Wales.

Scotland—10.38-10.58 am For Schools (Around Scotland). 12.40-12.45 pm The Scottish News. 5.55-6.20 Reporting Scotland. 6.45-7.15 Indoor Bowls. 10.35 Current Account. 11.25 Omnibus. 12.15 am News and Weather for Scotland.

Northern Ireland—10.38-10.58 am For Schools. 3.53-3.55 Northern Ireland News. 5.55-6.20 Scene Around Six. 6.45-7.15 As I Roved Out. 11.25 Soccer: Linfield v. Manchester United. 12.10 am News Headlines, News and Weather for Northern Ireland.

England—5.55-6.20 am Look East (Norwich); Look North (Leeds); Look North (Newcastle); Look North West (Manchester); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth). 6.45-7.15 East (Norwich)—The Tankbusters; Midlands (Birmingham) — Know Your Place; North (Leeds)—Hometown; North East (Newcastle)—Heroes; North West (Manchester)—Sit Thi Deawn; South (Southampton)—Support Your Local . . . Theatre; South West (Plymouth)—The Music Quiz; West (Bristol)—RPM.

BBC 2

10.00 am Business World.
11.00 Play School.
11.25 Speak for Yourself.
2.30 pm Roads to Conflict.
✢3.00 Illusions of Reality.
3.30 Living City.
✢5.30 Charlie Chaplin in "Easy Street."
6.00 The Deceivers.
6.30 Under Sail.
6.45 News Summary.
✢6.45 The Tuesday Western: "The Tin Star" starring Henry Fonda.
8.20 Russell Harty.
9.00 Pot Black 81.
9.25 Ireland: A Television History.
10.15 Jake Thackray and Songs.
10.45 Newsnight.

BBC2 Scotland Only—4.20-4.40 pm BZZZ (for children).

LONDON

9.30 am Schools Programmes. 12.00 Jamie and the Magic Torch. 12.10 pm Pipkins. 12.30 The Sullivans. 1.00 News, plus FT Index. 1.20 Thames News. 1.30 Crown Court. 2.00 After Noon Plus. 2.45 The Mallens. 3.45 Barney Miller. 4.15 Dr. Snuggles. 4.20 Take a Chance. 4.45 Ace Reports. 5.15 Emmerdale Farm.

5.45 News.
6.00 Thames News.
6.25 Help!
6.35 Crossroads.
7.00 Looks Familiar.
7.30 Ballyskillen Opera House.
8.00 Bognor.
8.30 George and Mildred.
9.00 Cover.
10.00 News.
10.30 Midweek Sports Special.
11.40 Enterprise.
12.10 am Close: "Sit Up and Listen" with Jeremy Lloyd.

All IBA Regions as London except at the following times:

ANGLIA

12.30 pm Out of Town. 1.20 Anglia News. 3.45 Looks Familiar. 6.00 About Anglia. 7.00 Unforgettable. 11.40 Kaz. 12.35 am A Norfolk Parson Visits America.

ATV

12.30 pm Gardening Today. 1.20 ATV News. 3.45 Looks Familiar. 5.15 Diff'rent Strokes. 6.00 ATV News. 6.05 Crossroads. 6.30 ATV Today. 7.00 Emmerdale Farm. 11.35 ATV News. 11.40 1981 Butlin's Grand Masters Darts Championship. 12.10 am Barney Miller.

BORDER

1.20 pm Border News. 3.45 Looks Familiar. 5.15 The Electric Theatre Show. 6.00 Lookaround Tuesday. 7.00 Emmerdale Farm. 11.40 Border News Summary.

CHANNEL

12.30 pm Gardening Today. 1.20 Channel Lunchtime News, What's On Where and weather. 3.45 Looks Familiar. 6.00 Channel Report. 7.00 Benson. 8.30 The Cuckoo Waltz. 10.28 Channel Late News. 11.40 Pro-Celebrity Snooker. 12.25 am Commentaires et Previsions Meteorologiques.

GRAMPIAN

9.25 am First Thing. 12.30 pm Simply Sewing. 1.20 North News. 3.45 Looks Familiar. 6.00 North Tonight. 7.00 Welcome to the Ceilidh. 11.40 Quincy. 12.35 am North Headlines.

GRANADA

1.20 pm Granada Reports. 3.45 Looks Familiar. 5.15 Diff'rent Strokes. 6.00 Granada Reports. 6.25 This Is Your Right. 7.00 Emmerdale Farm. 11.40 After All That, This. 11.45 The New Avengers.

HTV

12.30 pm Play It Again. 1.20 HTV News. 3.45 Looks Familiar. 5.15 Daffy Duck and the Dinosaur. 5.20 Crossroads. 6.00 Report West. 6.30 Definition. 7.00 Emmerdale Farm. 7.30 Ballyskillen Opera House. 10.28 HTV News. 11.40 Superstar Profile.

HTV Cymru/Wales—As HTV West except: 9.47-10.02 am Wales and the Sea. 10.48-11.03 Believe It Or Not. 12.00 Poli a Pili. 12.05-12.10 pm Calimero. 4.16-4.45 Gwesty Gwinon. 6.00 Y Dydd. 6.15-6.30 Report Wales.

SCOTTISH

12.30 pm Gardening Today. 1.20 News Headlines and road and weather report. 3.45 Looks Familiar. 5.15 Tales of Crime. 5.20 Crossroads. 6.00 Scotland Today. 6.20 Job Spot. 6.30 What's Your Problem? 7.00 Emmerdale Farm. 11.40 Late Call. 11.45 Kate Loves a Mystery.

SOUTHERN

1.20 pm Southern News. 3.45 Looks Familiar. 5.15 Betty Boop. 5.20 Crossroads. 6.00 Day by Day. 7.00 Emmerdale Farm. 11.30 Split Seconds.

TYNE TEES

9.20 am The Good Word. 9.25 North East News. 1.20 pm North East News and Lookaround. 3.45 Looks Familiar. 5.15 Diff'rent Strokes. 6.00 North East News. 6.02 Crossroads. 6.25 Northern Life. 7.00 Emmerdale Farm. 10.30 North East News. 11.40 WKRP in Cincinnati. 12.10 am Way of the Cross.

ULSTER

1.20 pm Lunchtime. 3.45 Looks Familiar. 4.13 Ulster News. 5.15 Cartoon Time. 5.20 Crossroads. 6.00 Good Evening Ulster. 7.00 Emmerdale Farm. 11.40 Bedtime.

WESTWARD

12.27 pm Gus Honeybun's Birthdays. 12.30 Gardening Today. 1.20 Westward News Headlines. 3.45 Looks Familiar. 5.15 Emmerdale Farm. 6.00 Westward Diary. 7.00 Benson. 8.30 The Cuckoo Waltz. 10.31 Westward Late News. 11.40 Pro-Celebrity Snooker. 12.25 am Faith for Life. 12.30 West Country weather and shipping forecast.

YORKSHIRE

12.30 pm Looks Familiar. 1.20 Calendar News. 3.45 Calendar Tuesday. 5.15 In Loving Memory. 6.00 Calendar (Emley Moor and Belmont editions). 7.00 Emmerdale Farm.

(S) Stereophonic broadcast
‡Medium wave

RADIO 1

5.00 am As Radio 2. 7.00 Mike Read. 9.00 Simon Bates. 11.00 Andy Peebles. 12.30 pm Newsbeat. 12.45 Paul Burnett. 2.32 Dave Lee Travis. 4.32 Steve Wright. 7.00 Talkabout. 8.00 Richard Skinner. 10.02-12.00 John Peel (S).

VHF Radios 1 and 2: 5.00 am With Radio 2. 8.02 pm The Leading Ladies (S). 9.02 Glamorous Nights. 9.55 Sports Desk. 10.00 With Radio 1. 12.00-5.00 am With Radio 2.

RADIO 2

5.00 am News Summary. 5.03 Bob Kilbey (S). 7.32 Terry Wogan (S). 10.03 Jimmy Young (S). 12.03 pm David Hamilton (S). 2.03 Ed Stewart's Request Show (S). 4.03 Much More Music with David Symonds (S). 6.03 John Dunn (S). 8.02 League Cup Soccer Special. 9.30 Glamorous Nights (S) (also VHF). 9.55 Sports Desk. 10.02 The Law Game. 10.30 Funny You Should Ask. 11.02 Brian Matthew with Round Midnight, including 12.00 News. 2.02-5.00 am You and the Night and the Music (S).

RADIO 3

6.55 am Weather. 7.00 News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composer: Wolf. 9.45 Music at the Crystal Palace (S). 10.35 Bartok String Quartet Recital, part 1 (S). 11.00 Interval Reading. 11.05 Recital, part 2. 11.55 Hallé Orchestra, part 1 (S). 1.00 pm News. 1.05 Six Continents. 1.25 Hallé Orchestra, part 2. 2.05 French Baroque Cantatas (S). 3.05 Music for Double Bass and Piano (S). 3.45 Adrian Cruft (S). 4.25 Jazz Today (S). 4.55 News. 5.00 Mainly for Pleasure (S). 7.00 Haydn String Quartet recital (S). 7.30 "Romeo and Juliet (S): Opera in five acts by Gounod, from the English National Opera at the London Coliseum, Acts 1 and 2. 8.35 Interval Reading. 8.45 "Romeo and Juliet," Act 3. 9.25 The Eternal Husband by Dostoevsky (abridged reading). 9.40 "Romeo and Juliet," acts 4 and 5 (S). 10.30 Jazz in Britain (S). 11.00 News. 11.05-11.15 Telemann (S).

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping forecast. 6.30 Today, including 6.45 Prayer for the Day, 7.00, 8.00 Today's News, 7.30, 8.30 News Headlines, 7.45 Thought for the Day. 8.35 Yesterday in Parliament. 9.00 News. 9.05 Tuesday Call. 10.0 News. 10.02 From Our Own Correspondent. 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.05 Double Act. 11.35 Wildlife. 12.00 News. 12.02 pm You and Yours. 12.20 Down Your Way visits Brixham, Devon. 12.55 Weather; Programme News. 1.00 The World At One. 1.40 The Archers. 1.55 Shipping forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.02 The Good Soldier Svejk by Jaroslav Hasek (S). 4.00 Borderlands. 4.15 Self-Portrait. 4.45 Story Time. 5.00 PM: News magazine. 5.50 Shipping forecast. 5.55 Weather; programme news. 6.00 News. 6.30 Never Too Late (S). 7.00 News. 7.05 The Archers. 7.20 Medicine Now. 7.50 A Life Kept Always Young: portrait of Eleanor Farjeon (1881-1965). 8.35 Voices in Harmony: Recital by the Bournemouth Sinfonietta Choir (S). 9.05 In Touch. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.30 Earthsearch (S). 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 Today in Parliament. 12.00 News.

BBC Radio London

5.00 am As Radio 2. 6.30 Rush Hour. 10.03 The Robbie Vincent Telephone Programme. 1.03 pm London Live. 4.30 London News Desk. 5.35 Music on the Move. 7.03 Black Londoners. 8.00 Question Time from the House of Commons. 9.00-5.00 am Join Radio 2.

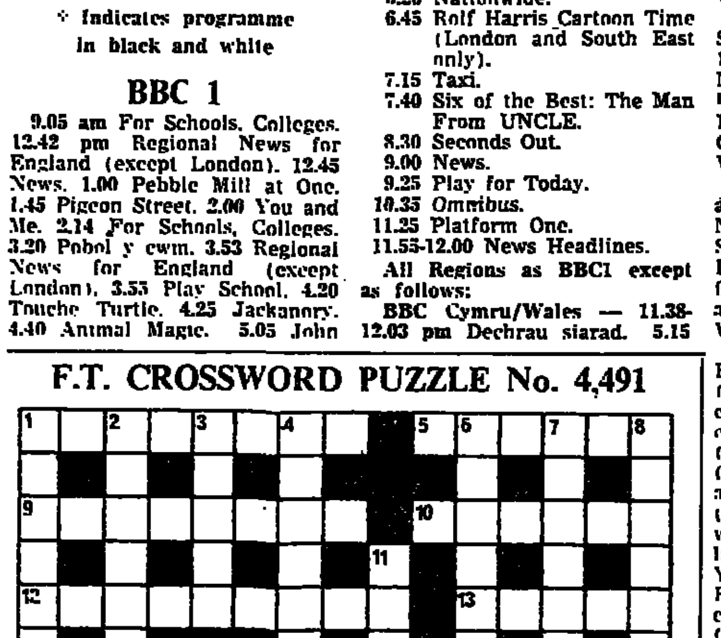
London Broadcasting

6.00 am AM: Bob Holness and Douglas Cameron. 10.00 Brian Hayes. 12.00 LBC Reports. 7.00 London Life. 9.00 Mike Dickin's Nightline. 12.00 LBC Reports Midnight. 1.00 am Night Extra. 4.00 Travel '81. 5.00 Morning Music.

Capital Radio

6.30 am Mike Smith's Breakfast Show. 10.00 Michael Aspel. 12.30 pm Graham Dene. 1.00 First Report. 1.10 Graham Dene (continued). 3.00 Roger Scott. 7.00 London Tonight. 9.00 Nicky Horne. 11.00 Tony Myatt's Late Show. 2.00 am Night Flight.

F.T. CROSSWORD PUZZLE No. 4,491



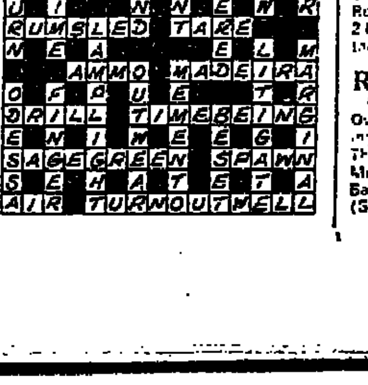
ACROSS

1 Open to view defender without saddle (8)
5 Turn a learner from the back (6)
9 Corresponding with stupid fellow on a book (8)
10 Terror from ringleader in combat (6)
12 Reduce the size of cover for fish and birds (5, 4)
13 Conceit etudes in which a group of musicians appear (5)
14 River fish shoot forth rapidly (4)
16 Afraid about direction being marked (7)
19 One must accept gas for this type of hair-cut (7)
21 Begin with duck and swan (4)
24 Standard of perfection in which I trade (5)
25 Take photograph of gunfire (5-4)
27 To weaken in France would be odd (6)
28 Fish to pierce with permit (8)
29 Effusively sentimental about Pole but afraid of 25 (6)
30 A great admirer I treat afterwards (8)

DOWN

1 Head of beef to rear and cook (6)
2 Wretched Abyssinian prince over state (6)
3 Large marble head (5)
4 Accompany a wife or husband (7)
6 Deliberately starting a fire in one side of vicar's residence (9)
7 Worthless shooter set up a Conservative (8)
8 Freedom from restraint in a range (8)
11 Antelopes have chanted up (4)
15 Angle incorrectly and correctly for a kind of shark (5-4)
17 Reaching for drug on top of gallipot (8)
18 Open to attack as spaces may be in the country (4-4)
20 Deserve to acquire receiver on pole (4)
21 Free and easy summary (7)
22 Talk about the French villa (6)
23 Condition right for ancient Greek coin (6)
26 Surpass 40 we hear (5)

Solution to Puzzle No. 4490



ENTERTAINMENT GUIDE

OPERA & BALLET

THEATRES

CINEMAS

ART GALLERIES

THE ARTS

Elizabeth Hall

Belshazzar

by RICHARD JOSEPH

With its vivid musical differentiation of three antagonistic national groups and a relative lack of reflective or mediative arias, *Belshazzar* is one of Handel's most dramatic oratorios. It was probably intended for stage performance; the original text is full of detailed scenic descriptions and directions, without which some of the action is incomprehensible.

The Handel Opera Society presented a fairly complete concert performance of the music at the Elizabeth Hall on Saturday night. Despite their considerable experience of these works in the theatre, dramatic imagination was the missing factor in this interpretation. Their conductor Charles Farncombe has a sure and practised hand. He knows how to pace and cue the performers so the work emerges with a minimum of fuss and a minimum of hazard. But it seemed that excitement was kept to a minimum, too. The "animal exuberance" commentators have noticed, the restless and monumental effects of the grand choruses, were never played out for their full worth.

Some of Farncombe's cast—James Bowman, in clear and confident voice as the prophet Daniel and Jane Manning, over-vibrant but admirably involved as Belshazzar's intelligent mother—would certainly have benefited from a more positive interpretive approach. Others, though equally vocally acceptable, sank into the sedate and stable spirit of the evening. Anthony Roden sang with clean, free tenor tone, but failed to portray Belshazzar as a manic tyrant; Marilyn Bennett revealed a promising, rich alto as the Persian King, Cyrus, but her (justified) aggression against the Babylonians was altogether too well bred.

The Opera Society's Chorus was happier as the confident, homophonic Persians than as the more solemn and chromatic Jews. Their smudged runs in the jaunty Babylonian sections might have been an attempt at characterising the drunk, "reveling herds" mentioned in the text. The orchestra was especially good, playing with incisive attack and silvery tone.

ICA

Scelsi

Adrian Jack's MusICA series has included music by Giacinto Scelsi twice before, most memorably two years ago, when a programme of solo vocal and instrumental pieces was for many of us a first encounter with the work of this reclusive, mystical Italian nobleman, born *in Suezia in 1905. That evening* lingers in the mind most of all for the consuming tedium of much of the proceedings; the intensity brought to bear on the music by its performers (all of whom had studied with Scelsi), was not communicated to the audience, and Scelsi's recent cult following in European and American avant-garde circles remained unexplained.

Undaunted, MusICA presented another all-Scelsi concert on Sunday. The programme this time seemed more coherent, better balanced, and for this non-believer at least there were the first glimmerings of understanding, if not of total acceptance. Scelsi's first two string quartets, played by the Arditti Quartet, enclosed extracts from the *Canti di Capricorni*, sung by the remarkable Japanese soprano Michiko Hirayama.

In the two quartets are a key to the development of Scelsi's music in the last quarter of a century and to its inherent problems. The first is a big-boned, expansive four-movement work lasting almost 40 minutes: obsessive in its tight harmonic working, repetitive in much of its phrase structure. Its single-mindedness is impressive however; the tonality is controlled over long spans, though the harmonic rhythm is predominantly slow and quite often non-existent. In its deliberately limited thematic and harmonic means it looks towards the completely introspective music, meditation almost rather than composition, of Scelsi's subsequent work.

The second quartet was written in 1961 and confines itself to a tiny set of pitches for each of its five movements, inflecting them, treating them to every possible bowed and plucked effect. The music never breaks out of this sustained web of gently fluctuating chords, forward movement in any conventional sense is absent.

The *Canti di Capricorni*—Miss Hirayama sang 10 of them, lasting about 40 minutes—are typical of Scelsi's later work and more akin to the music heard at the first ICA concert. The texts are usually simple phonemes, occasionally scraps of text, treated to nagging repetition and long, gently contoured lines. Once the singer accompanied herself on a tam-tam, once the song included a part for a Japanese wind instrument played simultaneously by the performer. The vocal line was sometimes rhythmically highly pointed, jazzy almost. Scelsi remains a baffling composer, but now a more intriguing one.

ANDREW CLEMENTS

Final curtain may fall on the D'Oyly Carte

The D'Oyly Carte Opera Company will close on July 18 unless a sponsor is found for its productions of Gilbert and Sullivan. The deadline comes after the refusal of an Arts Council grant.

An Arts Council report, published yesterday, criticised the company for its "wooden or tired productions," its "variable" musical performances, the age of its members and the "non-existent dancing." Mr. Frederick Lloyd, the company's general manager, said sponsorship of about £200,000 a year would have to be raised for the company to survive. "Our financial situation is extremely critical," he added. The company's present principal sponsor is Barclays Bank (£150,000 over three years).

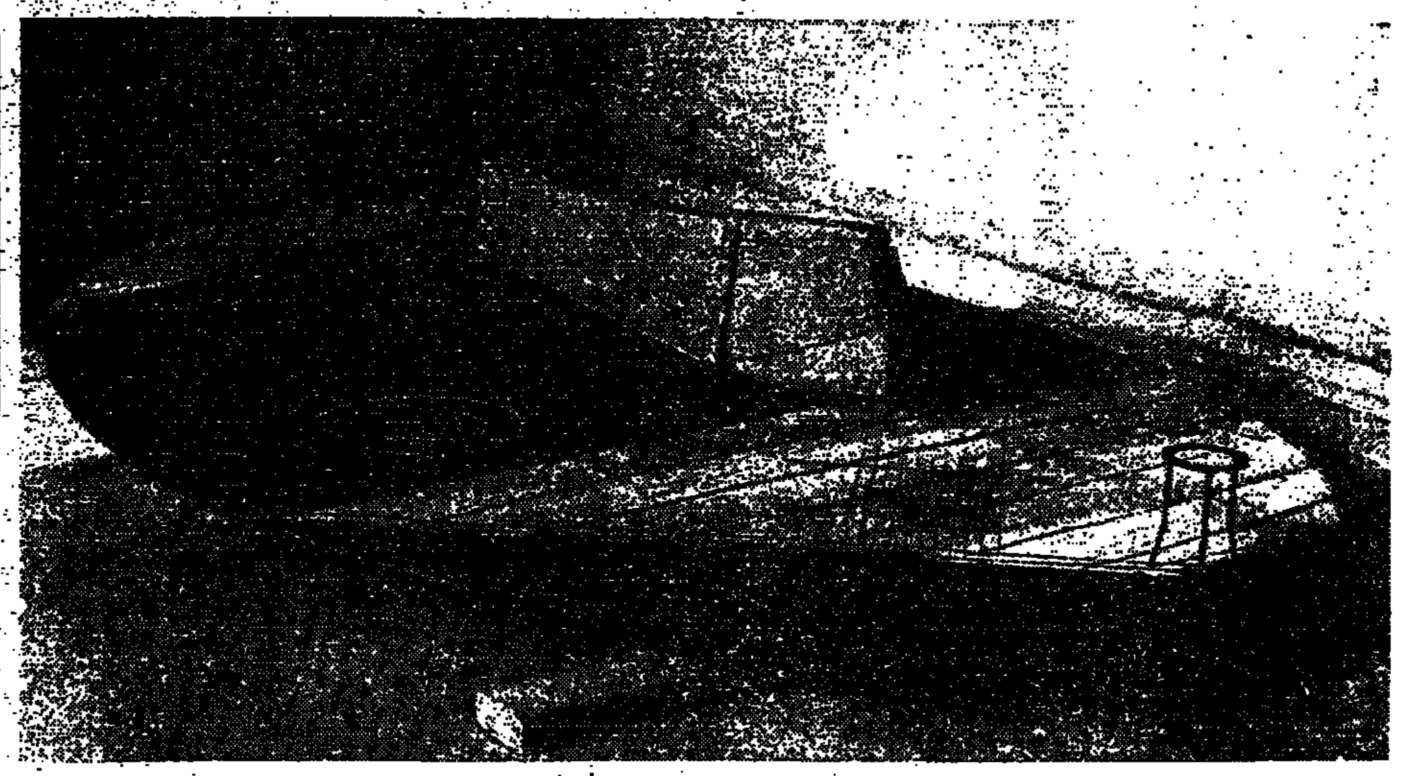
Mr. Lloyd said two previous applications had been made in order to raise standards. Unless sufficient funds could be raised from other sources in "the very near future," the end would come after the next provincial tour.

The D'Oyly Carte will be asking Sir Harold Wilson, one of its trustees, to help reverse the Arts Council decision. He will receive a deputation of members, in costume and riding on a vintage London bus, at Westminster, to present a petition to Parliament.

In its report, the Arts Council turned down a recommendation from an independent working party to give D'Oyly Carte between £50,000 and £100,000. The council said: "We doubt that a limited injection of funds would achieve the suggested effect or that in practice it would be easy to withdraw such funding at the end of a specified period."

Mr. Kenneth Robinson, Arts Council chairman, said after the publication of yesterday's report: "This should not be seen as the death of the D'Oyly Carte. The company is extremely well-placed to raise money from sponsors."

The company has been performing the Savoy Operas in London and the provinces for more than 100 years. Each year about 300,000 people attend its productions.



Lazarus (in this most awful place), sculpture in mixed media by Michael Kenny

D'offay/Annely Juda

On the floor

by WILLIAM PACKER

Carl André is back in town, or rather he was, and his work is (at Anthony d'Offay, 23, Dering Street, W1, until March 5); and of all the shows of his sculpture that we have seen in London, including the retrospective at the Whitechapel three years ago, this present offering is the clearest, the simplest and in its way the most engaging.

It is not hard to work out why this should be so. Despite his many statements in the past to the effect that his works are no more nor less than themselves, bald presentations of physical fact, André has always *been something of a theoretician* and polemicist in his art, his work quite openly a kind of rumination upon the nature of sculpture, its qualities, limitations and possibilities. He is no charlatan; but a hard-working and serious artist, indeed serious to a fault, possessed of an awesome academic persistence, a capacity to labour a point already more than well made. And since he stands at the centre of an authentic and creditable tradition in modern art, a reductive abstraction, founded in suprematism and constructivism, that we have now come to call minimalism, it is hardly surprising that his work should be read as a useful epitome of its principles.

The result has been that too often his work has been put on show, with the best of intentions, as a conscious exercise in art history and public education; and we begin to sense that André's occasional cri de coeur is perhaps all too understandable an attempt to moderate this emphasis. We may look at the work with the utmost care, appreciate the niceties of influence, provenance and circumstance, and yet go home with our heads full of scholarship but little art. Art is never hermetic, never entirely self-sufficient, but we must never forget that the peculiar virtues of particular work are its very essence.

Which is why this little show is very welcome. Of course it will refuel the common store of prejudice, for it asks a certain sympathy, a little time and some general cultural knowledge; and André's material is as banal as ever, and its presentation as direct. But then those lucky people who know what Art is, and can be, and what they like, are no concern of ours, at least not today.

There are five works, all made up from the same basic unit, a metal plate about 1 ft square and ½ in thick. The lot was ordered from stock and has been used as it came, save for some basic cleaning and scraping done by an assistant. All that André has done, and it is at this point that so many will leave us, has been to dispose it across the floor of the gallery in five distinct configurations, the smallest amounting to six, the largest to 45, plates.

It is most convenient and adaptable a proceeding and one which always allows André to trim and tailor his work to local circumstance: and all five pieces here are indeed made for this gallery, for this show, for this particular arrangement. *And thus the gallery itself* becomes in a sense a part of the show, with the visitor soon becoming oddly alive to subtle shifts and emphases of the interior space. André's plates lie with the bias, as it were, and we soon pick up the diagonal of the parquet, and the oblique angle of the farther wall, that together nudge us through from room to room.

And one sculpture, Crucis, is appropriately the pivot; a large and simple cross that straddles the gap between the principal spaces, and which the visitor must step on or over, or somehow negotiate, to get through. André has never objected to anyone walking across the more robust of his floor pieces, but inhibitions die hard, and at the opening view it was fascinating to see how knots of people gathered around this cross in particular, standing not so much on it as in it, and as is the way on such occasions, looking anywhere but at their feet.

And as, with this set of work at least, polemic and theory are by now implicit, we are able to pay rather more attention to other features and qualities. The physical presence of the material asserts itself, its weight and gauge, and we begin to fix upon the variations in surface isolated and exploited within this one batch of plates, here bright orange rust, there matt grey, or encrusted and flaking, or covered in shiny whorls where the assistant has been busy with his drill. And we begin to sense, as we consider each work in turn, that André's preoccupations might be more ambiguous and romantic than we had ever supposed, with their hints at mystical signs and numbers, and their crosses, checks and chevrons, an obscure personal heraldry: all very well on a coat of arms, and indeed why not on a gallery floor.

Michael Kenny's new work too sits very low on the floor (at Annely Juda, Tottenham Mews, W1 until March 7), and shares with André's the sense of local and particular occupation, and of significant, if somewhat arcane numerology — he uses, for example, a fibonacci spiral to stake out a working space; but there the similarity ends. Kenny is an overt romantic, and though it might be refined and abstracted to a degree, his work is always concerned with a human presence expressed through imagery, whether found, modified or made.

For some considerable time he has established the space into which he implants this strange and evocative presence, with all its peculiar impedimenta, by building a low platform that is open and accessible yet obviously defined and distinct: and so, inevitably, the sculpture takes on something of the quality of a tableau, a stage or arena to be occupied and used. A degree of separation from our imaginative sympathy is therefore unavoidable, no matter how powerful or curious the possibilities that are conjured up. We peer into an archaeological pit, the central human presence confirmed by the evidence of mundane activity, and unthinking accumulation, that is spread around. These strange devices and appurtenances are disposed so scrupulously, so nicely, that we cannot help but presume some specific if nameless purpose to it all. But we do not step down.

This latest move on to the floor may be seen, therefore, as a necessary and positive step forward, with Kenny opening up his work farther to the *spectator's voluntary if not* exactly physical involvement. And as much would seem to be confirmed by his adoption of a pinker and more naturalistic plaster instead of the habitual white for the palpably figurative element within it. And it is all as beautifully made, and as imaginatively seductive as ever.

A somewhat larger exhibition of Kenny's sculpture and drawing is at the Bluecoat Gallery, Liverpool, until February 28.

Elizabeth Hall

Stravinsky Festival

by DOMINIC GILL

The second instalment of this mammoth project, conceived together by the London Sinfonietta and the LSO, now turns to the works for voices with instruments (the orchestral and instrumental instalment, London concert-goers will remember, took over the South Bank during the autumn of 1979). The series has been so full of illuminations, and standards of performance have been so singularly high, that comparisons and special selections seem for the most part superfluous—though it will be difficult indeed to match the impact of the curtain-raiser of last Friday week: a riveting sequence, superbly performed, of Stravinsky's three versions of *Les Noces*.

There was nothing in the programme the following Friday, delightful as it was, as exciting as that. A group of songs, mostly written for the composer's children, included *Three Tales* (the Bear's Tale, stretching the cause of authenticity somewhat, was actually *spoken* in its original Russian), four *Russian Songs*, a tiny *Berceuse* for Lyudmila, and the world premiere of "Storm Cloud," a student setting recently unearthed of a Pushkin poem — charming all, and sung with elegant accomplishment by Felicity Palmer, without any pretence at claiming a case for unjust neglect. The Cantata of 1951 which rounded off the first half is difficult to place, in any case, in a programme: that odd, unsettled amalgam of finely-wrought, astringent music put up against English texts without the least regard for their force or sense—the words of "This ae nighte" might as well be "Mary had a little lamb" for all that Stravinsky's gentle, reflective accompani*ment discovers of their darkness* and violence.

The second half was given to *The Soldier's Tale*, staged and directed (and also newly translated into English) by Peter Adam. Wayne Sleep danced, and spoke, the Soldier's part: a pretty performance, agile, exact, if just a shade (no more) on the wrong side of camp. Murray Melvin, who might have been doubling for a satanic Kenneth Williams, played the Devil, Gordon Jackson narrated with smooth and splendidly enunciated Scottish precision. The stage matters all worked well: but what mattered, as ever, was the music—and that the Sinfonietta gave, under David Atherton, with every sparkling ounce of their customary virtuosity and flair.

Busy year for expanding ICA

The ICA is in buoyant mood for 1981. It has just opened its new cinema and bar and attendances of nearly 500,000 last year enabled it to end the year with a deficit of just £7,500 on a £500,000 turnover. After the completion of the structural alterations the regime of chairman Cob Stenham and director Bill McAlister is concentrating on a heavy programme of events.

The cinema opened with *Sitting Ducks* and will then be a first run cinema for international independent films with bookings for Andre Techine's *The Bronte Sisters* and Jacques Rivette's *L'amour fou*. The theatre is presenting many works which lie outside the tradition of the literary theatre.

Meanwhile in music there will be four of five ICA Rock Weeks introducing new and interesting bands, and Adrian Jack is carrying on with more contemporary music, including a fourth series of MusICA.

Among the visual arts exhibitions will be shows by Ron Heselden (now on), New Contemporaries, the national student exhibition, the 3rd National Tolly Cobbold exhibition, and Conrad Atkinson. Seminars will include a series investigating how cultural institutions, such as the Arts Council and the National Theatre, actually operate, while writers like Beryl Bainbridge and Muriel Spark will be talking about their work at lunchtime meetings.

Elizabeth Hall

Daniel Varsano

by DOMINIC GILL

The London debut on Sunday afternoon of the young French pianist Daniel Varsano (b. 1954, a pupil of Pierre Sancan and Rosalyn Tureck) was heralded by much advance publicity from the record company CBS, and was mounted and promoted by an organisation called Grapevine International Public Relations.

Mr. Varsano began his all-French programme with Satie—a selection from five sets of three pieces, shaken up together and played in no particular (not his announced) order. There is no "correct" way to play Satie: but I prefer another way to Mr. Varsano's, less ingratiating, less compromising, more magically and austerely poised. He gave every measure of his sequence with the utmost *espressivo*, much attention to inner voices, and hazed with pedal, with a plentiful sprinkling of extra dynamics for contrast. In the first two of the *Trois Gnossiennes* rhythmic values were so stretched as to give no more than the cloudiest impression, and often hardly that, of any metre: a wash of cadences picked out in pretty pink.

Of Ravel's *Jeux d'eau* and Sonatine he gave perfectly respectable, unsurprising, unremarkable accounts—somewhat under-defined, and suffering from the same metrical instabilities as his Satie (there is all the difference in the world between *rubato* and obscuring all traces of where strong and weak beats actually fall). The contrasts between legato and detached voices in the Menuet of the Sonatine were wholly obscured by lazy pedalling.

Fauré's fourth and fifth nocturnes were given no more than drawing-room focus, lightweight and perfectly unnuanced: the French complain (justly) of the neglect of Fauré, but all too often play him like Francaix. In the B flat Nocturne especially there was much approximate sketching, covered over with pedalling; and the pulse of the opening pages was so faint it was impossible to tell what was syncopation, and what wasn't. Four Debussy pieces ended the recital: well-tutored, unimaginative, and once more liberally de-rhythmed. "Feux d'artifice" relied more powerfully on the fluent delivery of arpeggios for its effect (though the black-key glissandi were tilted at) than on the far more tricky problems of phrasing, voicing and attack. Mr. Varsano should not count too heavily on the grapevine for he has some way to go before he can be called a distinguished exponent of the music of the three greatest French composers of his century.

St. John's, Smith Square

Singcircle

by ANDREW CLEMENTS

Amplified voices and electronics make a seductive combination. With a modest array of modulators and delay circuits, complex-sounding textures may be painlessly built up: with judicious close-miking the human voice can acquire a spurious profundity. It must be very tempting for young composers to luxuriate in these sounds, to concentrate on an elaborate philosophical superstructure while leaving the musical invention to write itself. In Singcircle's concert at St. John's on Saturday there were occasional signs of composers trying to break out of the established mould, but *otherwise the electronic lexicon* was much as before.

Alan Belk's *At this point in contact* impressed less on a second hearing that it had last year when placed among similar pieces from the SPNM Composers' Weekend; from a young composer it nevertheless shows considerable restraint and assurance of technical means. Richard David Hames's *No. 2: Sangbec I*, two settings of Ted Hughes for six voices *a capella* written in 1970, made odd company for the rest of the programme, neither demanding nor really needing electronic support. Without the amplification that Singcircle lavished upon it the vocal writing might seem better attuned to the poems it supports.

A study in closed-mouth vocalisations from Richard Orton, *Lingua* — a Singcircle commission receiving its first performance — had a positive freshness, though it was most effective when its debt to Stockhausen's *Stimmung* was most openly acknowledged. The composer's reference in his note to the work's relation to the Babel myth puzzled more than it clarified: there are times when initial inspirations are best suppressed. On its own terms *Lingua* seems an entirely coherent and self-contained essay. Jean-Paul Curtay's *Diabelli phonetique ou un image de l'enfance* relied completely on its subtext: a recomposition of Diabelli's first sonatina, replacing pitches with a vocabulary of noises: passingly interesting, sometimes amusing but essentially trivial.

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Tuesday February 10 1981

A new airport for London

THE BRITISH Airports Authority's case for siting London's third major airport at Stansted, which was published last week, will almost certainly give rise to the longest, most costly and most acrimonious planning inquiry in Britain's experience. The anger felt by opponents of Stansted will be justifiably compounded by the fact that this inquiry, which is due to begin in September, will raise the spectre of a major airport development over the Stansted area for the third time since 1965. The question of why Stansted should once again be the leading candidate to become London's third airport, after being rejected by a Public Inquiry in 1965, again by the Roskill Commission in 1968 and, finally in 1971 by the Government's review of the Roskill Commission's findings, will undoubtedly loom large in the forthcoming inquiry.

Persistence

The long-standing preference of the BAA for Stansted will inevitably give rise to accusations, if the BAA now gets its way, that government agencies can in practice always impose their decisions on local communities by sheer persistence, whatever theoretical protection royal commisions and public inquiries may provide. Irrespective of the decision that finally emerges, the gyrations of policy on the third London airport over the next 15 years will be an [illegible] of bad government. [illegible] -consuming and [illegible] on the develop- [illegible] nuclear reprocess- [illegible] at Windscale and, of [illegible] of Belvoir coalfield [illegible] in the memory and with [illegible] whole string of major nuclear power decisions due to be made over the next few years, there is a need to improve Britain's methods for balancing the many conflicting interests which inevitably arise in the planning of large-scale projects of this kind. The uncertainties and delays produced by the present procedures give both proponents and opponents of development the worst of all worlds. It is arguable that there should be greater restraints on re-opening [illegible] cisions against development the way that has happened Stansted.

However, the worst possible [illegible] ay for the Government to show [illegible] sideration for the opponents Stansted or, for that matter, any of the other possible sites for a third London airport, would be to seek ways of putting off the decision yet again after the forthcoming inquiry. The BAA's Statement of Case makes it clear that, sooner or later, a third major airport will inevitably be needed in London. With lead times for construction of the various sites that have been considered varying between eight and 17 years, a rapid decision must be made even if the new airport is required only in the late 1990s.

Even if the BAA's forecasts of air traffic growth are regarded as rather too high or its assessments of the amount of congestion which passengers could accept at existing airports rather too low, the margin of error is extremely unlikely to be so great as to obviate the need for a third airport at some point in the future. The BAA forecasts 87.2m passengers a year using London airports in 1995. Existing airports, including the planned fourth terminal at Heathrow and the second terminal at Gatwick (which is still subject to a planning inquiry) could cope with 58½m passengers. The BAA's forecast assumes a reduction in the rate of growth of air travel from the level between 1974 and 1979, and this was itself lower than the long-term growth rate experienced since the 1950s.

Business centre

Whatever allowances are made for diversion of passengers to airports outside the London area (a policy which should certainly be encouraged) or for changes in the long-term economic growth rate, the difference between existing facilities and probable demand is so great that failure to open a third major airport will almost certainly constrain London's development as a centre of business and tourism.

If the key question is when, rather than whether, a third airport is going to be needed, then a decision on siting should be reached as rapidly as possible, to prevent several areas being needlessly blighted by the sort of uncertainty which has been suffered by Stansted. Whatever the outcome of the forthcoming inquiry, the Government is going to have to make some very difficult and controversial decisions. It must prepare itself to take them, and then to stick to them.

No complacency on oil supplies

THE REDUCTION in Western oil consumption is far larger and more sustained than seemed possible a year ago. The Iran-Iraq war has had only a limited impact on prices and major companies have been prepared to resume purchases in Tehran following the release of the U.S. hostages. More significant, however, is the drop of 7.5 per cent in crude consumption in 1980 by the 21 members of the International Energy Agency which includes most Western industrialised states. A further fall of 1 to 2 per cent is expected this year. This leaves very little scope for any real increase in oil prices by the Organisation of Petroleum Exporting Countries, even if Saudi Arabia cuts its production.

Energy saving

There are three reasons for the fall in consumption: the worldwide reduction in economic growth to about 1 per cent in 1980, the surprising success of energy saving measures and the restraint imposed on oil purchasers by the high prices of crude. Stocks remain high at 440m tonnes, though they will be drawn down by another 30m tonnes in the first quarter of this year. So long as they are not regarded as an untouchable strategic reserve they can be used to influence, if not control, the general level of prices. They will also help to prevent spot prices soaring.

The most significant improvement in energy demand has come in the U.S. thanks to higher prices. Americans used 7 per cent less oil last year than in 1979. President Reagan's decision, redeeming a campaign pledge, to end the last controls on domestic crude oil prices last week is largely symbolic. It only slightly speeds up the deregulation instituted by President Carter in 1979 for which he received little credit during the election campaign despite the evident success of his policy.

Spot market

The limited impact of the Iran-Iraq war on prices is in part a measure of the two years of crises in the oil markets precipitated by the fall of the Shah. An initial surge in the spot market soon subsided. The increase in oil prices agreed by OPEC at Bali in December was little more than had been expected before the war started. Hawks like Algeria and Libya have already seen the real oil price rise in real terms by 40 per cent since the 1973-74 period and this appears to have blunted their appetite for more.

With only limited exports from Iran and Iraq, Saudi Arabia now produces some 42 per cent of OPEC's total oil output. This puts Shaikh Yamani, the Saudi Oil Minister, in a particularly strong position to influence the rest of the organisation. But he is already under pressure within Saudi Arabia to conserve more of his country's oil. References by officials in the new administration in Washington to the possibility of sending troops to the Middle East is unlikely to persuade the Saudis to do the West any favours.

Premiums pressure

Saudi Arabia is expected by other Gulf producers to cut its production and raise its prices this year even if Iran and Iraq prove unable to step up their exports on a sustained basis. The inability of either of the combatants seriously to damage the other's oil industry is better explained by military incapacity than a tacit agreement to live and let live. Increased Iranian exports will put pressure on the premiums, additional to the official price, charged on some 15 per cent of total OPEC liftings, but they are unlikely to do more.

For all this there is unlikely to be an "oil glut" leading to a fall in the real price of crude in 1981. Even with the threat of Iraqi bombers overhead the major companies and governments have rapidly returned to Iran and paid a small premium for its oil. The market may be softening, but nobody is taking any chances and in this they are probably right. The complacency on the future of oil prices which developed in 1975-78 should not be allowed to return. Fortunately the attitudes to oil supplies among major companies and governments has been permanently changed by the shocks and uncertainties of the last two years. Oil importers are no longer prepared to take the risk of being caught short whatever the immediate indications of the market.

U.S. ECONOMIC POLICY

Reagan prepares for surgery

By David Buchan in Washington and David Lascelles in New York

MR. RONALD REAGAN mustered all the skills acquired in his previous walk of life for his first address from the Oval Office last week, and an array of visual aids, including coins and charts. His bleak economic message to millions of Americans was thickly larded with the vocabulary of crisis.

"I regret to say that we are in the worst economic mess since the Great Depression," he told his audience, pointing to soaring inflation, declining productivity, and the Federal Government juggernaut whose debts will soon reach $1 trillion (million million).

Like a doctor preparing his patient for painful surgery, Mr. Reagan delivered his broadcast as a prelude to the February 18 unveiling of his economic package, which he has promised—and there is every reason to believe him — will contain drastic measures. On the whole, the American people who voted for him last November seem prepared for pain, even if some analysts dispute Mr. Reagan's diagnosis.

However, patients agree to painful operations only if there is a prospect of cure. Although Mr. Reagan's tax and expenditure cutting prescription has already met plenty of scepticism from experts, this has not stopped the new President from raising the public's expectations. While he eschewed any "quick fix," he did talk last week of "eliminating" inflation, eventually.

There is a useful propaganda point here. Saying things will get better can make them so to the extent that people and businesses stop trying a protect themselves with ever higher wage and price rises. But expectations and policies can quickly turn sour. Ten years ago, another Republican administration, under President Richard Nixon, had to do a U-turn and impose ideologically distasteful controls on wages and prices.

This Administration believes 10 years of failed policies have shown the real roots of inflation and produced public willingness to tackle them. It is undismayed by what is widely seen in the U.S. as the failure of Mrs. Margaret Thatcher's experiment in the UK. When she comes to Washington later this month, the British Prime Minister may hear directly from Administration economists their view that she botched her programme by taking only half measures in pruning tax and public spending.

Mr. Reagan emphasised the crisis facing the U.S. with a handful of coins and a dollar bill to show that the dollar which Americans had in their pockets in 1960 is worth only 36 cents today—the worst protracted rate of inflation in U.S. history, despite the efforts of five Administrations to bring it under control.

Mr. Carter's record was particularly dismal. In his four years inflation nearly doubled from 6.6 per cent to 13 per cent, and hit 18 per cent at one point last year, pushing interest rates to record levels and propelling economists into uncharted waters.

In fact, Mr. Carter's legacy is not as bad as it looks. Part of the inflationary surge was due to decontrol of oil prices which, along with price increases mandated by the Organisation of Petroleum Exporting Countries, are realigning U.S. energy economics in a way which will eventually do the U.S. economy a great deal of good. With petrol and heating fuel costs now double what they were only three years ago, consumption and imports have plummeted and domestic production has risen.

The tough credit regime imposed by the Federal Reserve has also brought the growth of the money supply back to a more manageable rate. According to the canons of monetarist law, this should help to bring inflation down in the next couple of years.

However, inflation has already gnawed deep at the country's economic foundations, hardening people's inflationary psychology and creating a situation in which standard economic measures alone may not be enough. Hence all the talk from Reagan aides of an "economic Dunkirk" from which the White House must turn rout into victory.

According to the Reagan analysis, the chief culprit for inflation is big government: the federal budget deficit and the burden of regulation which now, for instance, is believed to add $666 to the price of an average U.S.-made car.

Although bringing the budget back into balance was one of Mr. Carter's main preoccupations, he failed to sustain the improvement he achieved in the first two years, after President Gerald Ford's administration set a dubious record of a $66bn deficit in 1976. This year's budget, which began last October and will remain essentially Mr. Carter's despite Mr. Reagan's plan to pare it, is likely to end up more than $60bn in the red, equal to nearly 10 per cent of total outlay.

Failure to control the budget has partly to do with the rise in unemployment. A far bigger cause is the nature of the budget itself. At least half of it funds programmes put into law by Congress, and about which the White House can do little. Moreover, most of these programmes such as social security pensions, have escalation clauses, such as cost of living adjustments.

Similarly, the torrent of regulations passed by Congress in the past decade, in response to the environmentalist and worker safety movements, have blunted the economics of production and have reduced workers' output. However, the pillorying of regulation—very fashionable in Mr. Reagan's White House—has also tended to obscure other reasons for U.S. industry's poorer performance: failure to modernise plant and equipment and slowness to adapt to changes in trade and energy supply, charges to which the car industry is particularly vulnerable.

Although poor management is partly to blame, the slow rate of saving and investment are also vivid symptoms of these economic ailments, as the U.S. diverts more into consumption to get the better of inflation.

The average American puts little aside these days. Why should he, when the return on savings after tax is less than 10 per cent, while the appliance he buys today will cost 12 per cent more in a year's time?

This had led to a steady deterioration of the capital markets. Borrowers and lenders are less willing to commit themselves to long-term finance, the first because bonds have become an increasingly unreliable investment, the second because they consider 14 per cent an absurd price to pay for long-term money. The result has been a mad scramble in the short-term market, typified by the extraordinary growth in money market mutual funds from virtually nothing to more than $85bn in only two years.

Paradoxically, part of the inflation problem can be traced to the U.S. economy's resilience. Despite all the talk of woe, there has been no recession (officially defined as two consecutive quarters of real decline in gross national product) since the very sharp setback of 1974. Mr. Carter's credit squeeze a year ago produced a big drop (at a 9 per cent annual rate), but only in one quarter, April-June. The economy came bouncing back, and grew at a real annual pace of 5 per cent in the final quarter, according to preliminary government estimates. This capped a decade in which the U.S., for all its troubles, created nearly 20m new jobs and saw real incomes rise by over 40 per cent.

Mr. Reagan's prescription is bold, some would say rash. It is also a leap in the dark—not only because the multi-billion dollar spending cuts he will propose may provoke the biggest legislative battle Capitol Hill has seen for decades, but also because no President has ever proposed tax cuts as essential for curing inflation.

In last week's television speech, Mr. Reagan showed he is ignoring the one or two doubting Thomases in his Administration, and will after all stick to his campaign pledge to cut income tax rates across the board by 10 per cent a year for the next three years, as well as speed up depreciation allowances for business investment.

By the theory of "supply side economics" which Mr. Reagan has adopted, lower tax rates will give Americans more incentive to work and save and invest, increasing supply and improving productivity, and thus, at the end of the chain reaction, bringing inflation down.

But there are many weak links in this theoretical chain. And they must hold if Mr. Reagans tax cuts are not to give just a Keynesian boost to demand. The gamble that Mr. Reagan's tax cut will not simply and speedily rekindle inflation depends crucially on two institutions out of his direct control: Congress and the Federal Reserve Board.

Later this month, Congress will be asked to make spending cuts. These will have to be big—probably going beyond the current and the 1981-82 budgets—if the three-year tax losses are not to push the federal deficit quite out of control.

But Mr. Reagan has already had the embarrassing task of asking Congress to raise the Government's debt ceiling by another $50bn to $985bn to cover this year's deficit. The fact of Capitol Hill life is that Congress always finds it easier to cut taxes than public spending. Last year, for instance, it gave Mr. Carter $2.8bn of some $9bn in spending cuts he wanted.

The political problem for Congress, even one where Republicans control the Senate, is that it will be asked to make spending cuts which will inevitably hit the poorest hardest, and to make tax cuts which will intentionally benefit them least.

"Excessive taxation has robbed us of incentive," says Mr. Reagan in tones akin to Mrs. Thatcher's and, like her, he intends to make the tax code less progressive. His tax cuts will benefit the richer more than the poorer, and as Mr. Donald Regan, the Treasury Secretary, has made clear, this is quite intentional, because the better off are more likely to put their extra money into savings or investment, instead of consumption.

If the Reagan White House is looking to Congress to slash public sector demand for goods, services, and credit, it is pinning high hopes on the Federal Reserve to stabilise private credit demand better than it has done in the past 18 months.

The Fed's role is absolutely vital to the success of Mr. Reagan's programme. If the central bank loosens its hold on money growth, there will be little to stop Mr. Reagan's tax cuts feeding straight through into more demand and higher prices. If monetary policy is tightened too hard, the effect, along with public spending cuts, will be to push unemployment up further.

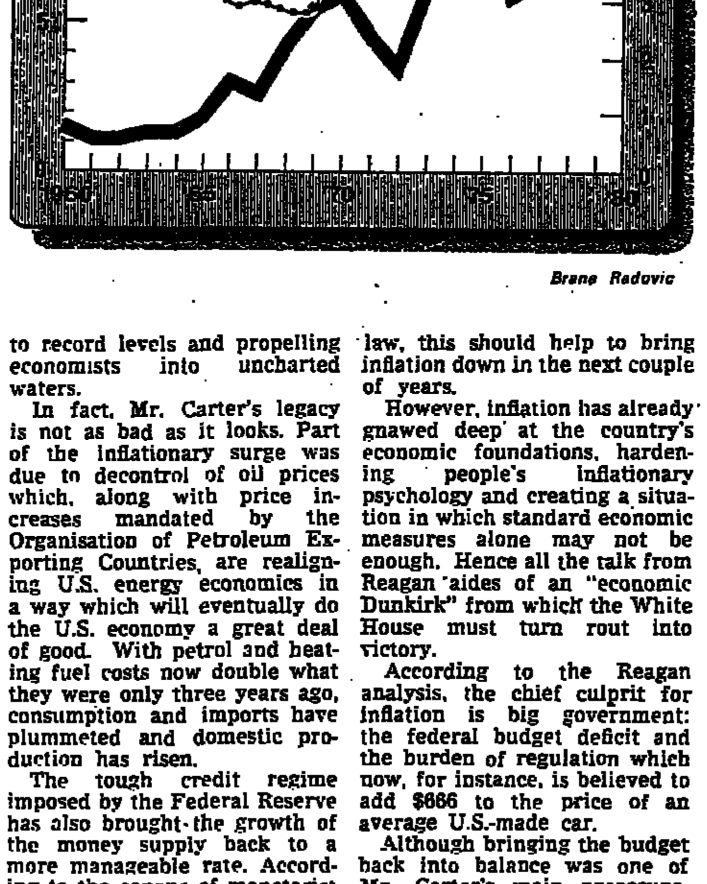
The Administration and the Fed know they must work smoothly in partnership, but neither apparently has the full public confidence of the other. The Administration has criticised the swings Mr. Paul Volcker has allowed in rates of money growth and interest, while the Fed chairman is openly worried that Mr. Reagan's tax cuts are inflationary. He argues spending must first be axed to "make room" for tax relief.

Since Mr. Volcker's views are taken very seriously by the financial markets at least, public sparring between the central bank and the Administration would undermine confidence in Mr. Reagan's programme. Mr. Reagan's aides have made it clear they now feel as free to offer public advice on monetary policy as the Fed has been to comment on Administration fiscal policy.

Once the crisis mood has worn off — and it will — the U.S. public will want to see results. In particular, they will not want to see inflation or unemployment go above present high levels. However, many people believe President Reagan may be promising more than he can deliver. Last week, for instance, he flatly asserted the U.S. did not have "to choose between inflation and unemployment." The two could be tackled together.

Yet Prof. Herbert Stein, who as chairman of President Nixon's council of economic advisers presided over the 1971 wage and price controls, noted after Mr. Reagan's speech that the British example showed unemployment had to go up if inflation was to come down. Were that to happen in the U.S. in, say, 1982 or 1983, he said, Mr. Reagan might be forced to change course.

RONALD REAGAN and a visual aid showing how government spending is rising faster than revenue (top) and what the Reagan cure will do (bottom).



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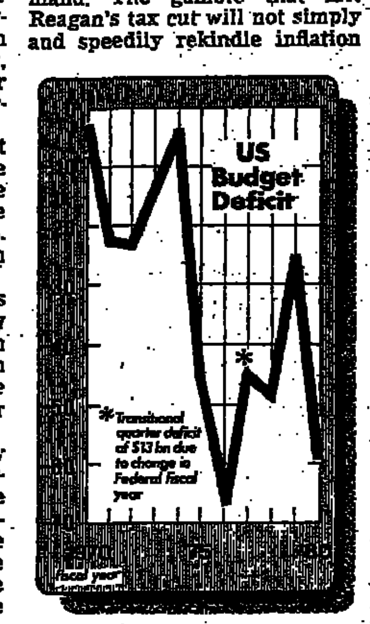


MEN AND MATTERS

New pilot for P & O

Having steered P & O out of a crisis of confidence into more favourable trade winds, Lord Inchcape has now handed over the job of chief executive to his deputy Dick Adams.

When Inchcape, who had been chairman for five years, also took over the chief executive's role in Britain's biggest shipping company in 1978, the industry was going through its worst recession since the 1930s. P & O's borrowings were rising fast and some City investors on board were getting nervous.

Under his direction, P & O moved first out of its plush City offices, then largely disengaged itself from the oil business and set about reducing its debts. Adams came in to help Inchcape when previous chief executive Sandy Marshall, quit in early 1979 to run Bestobell.

Now, shorn of its top-heavy superstructure, P & O has returned to its traditional line as a safe and solid shipping company.

Adams, described by a former colleague as a "cynical Wykehamist" with a considerable aptitude for tidying up messily complex operations, is likely to keep it so. He is, above all else, a liner shipping man, having spent over 30 years with the group, much of it in the Far East.

He set up the general cargo division which has proved to be the mainstay of P & O's profits and master-minded the turnround of the European Transport and Agency business.

While Adams was always the logical successor as chief executive, it is less obvious whether he will also inherit Inchcape's position as chairman when the 63-year-old Earl retires. At the moment there is no natural heir-apparent.

"The trouble is they want a fish mountain while we would prefer a fish lake"

In good odour

Clearing out the attic can be a profitable business as Yorkshire pharmacist Roger Knowles found when he tackled the accumulated dust and debris of 200 years above the chemist's shop he bought in Windsor.

Buried among the junk, Knowles discovered bundles of books and papers containing, in elegant copper-plate script, formulae for perfumes, soaps and other toiletries. "Some of them went back to the 1970s, about 20 years after the business was first founded," he says.

Knowles made up a few of the formulae in his dispensary, liked the results, and opened another shop next to his chemist's, Woods of Windsor, to sell them as a sideline to tourists.

That was 10 years ago. "The products sold so well that we went back to the books for more lines," he tells me. "And then we started to distribute them through the larger department stores."

This year he confidently expects turnover on the 80 products gleaned from the now handsomely rebound books to top £1m. A third of his production goes in exports throughout Europe, to the United States, South Africa, Argentina—and Australia.

"It's a nice thought," says Knowles, "that the perfume we are now selling there was being made and used in Windsor about the time Cook was discovering the continent."

Small-fry chips

Intelligence (UK) Limited. A curious name for a company. Perhaps because it sounds like an incorporated subsidiary of MI5. Perhaps because I am seized by a mischievous desire to transform it into "Limited Intelligence (UK)." But no matter. Behind the name lurk two young gentlemen who today unveil the first fruits of their fledging computer software venture.

The programme is called, in the nomenclature of go-go cybernetics, a "decision support system," more commonly known as a forecasting model, geared to businesses. The point of the "Micromodeller" system is that it is tailored for use with the new generation of microcomputers. Apple products, for instance, dramatically cutting the overall cost.

An Apple microcomputer costs around £3,000, the Micromodeller £425. For the small businessman, it may mean a chance to back up with a degree of demonstrable precision hunches about development patterns under varying economic conditions. The larger company, reckons Intelligence director Ashley Ward, could halve what it might spend in a month when using a computer time-sharing bureau to do its forecasting work.

Indian summit

With all the coyness of a matchmaker, the Indian Government is doing its best to reconcile those Foreign Ministers of the non-aligned nations who are currently out of joint with each other.

Pakistan's Agha Shahi arrived for the four-day conference of Foreign Ministers in Delhi yesterday determined to shun his Afghan counterpart, Shah Mohammed Dost. Pakistan refuses to recognise the Soviet-backed regime in Kabul.

But it is going to be difficult for them to avoid each other. The Indian Government has not only put the pair in the same hotel, it has given them neighbouring rooms on the fifth floor. At least one meeting behind closed doors should now ensue—even if it is in a descending lift.

Tying the knot

A poor memory can be annoying, embarrassing — and sometimes very costly. Especially for solicitors who miss a time limit or a due date.

In most solicitors' offices a reliable clerk with a large diary has always been considered essential. But such a system is far from fool-proof as the number of claims arising from missed dates testifies. And the Law Society insists on insurance cover of £30,000 per partner.

Now help has arrived for the profession in the shape of a company called Professional Memories Ltd, which, for a net cost of about £7 a case, will provide a computer-linked reminding service.

And if the computer should forget to send its two reminders, the company provides protection against losses with a £1m indemnity backed by Lloyd's underwriters.

Needling

The Din Knitwear factory, Doncaster, I hear, is threatened with closure because of complaints from nearby residents about the noise of its machines.

Observer

Guy de Jonquieres explains why companies want the British Government to introduce data protection measures

The drawbacks of an 'unregulated' haven

A GROWING band of multinational companies doing business in Britain is becoming increasingly impatient with the Government's attitude towards regulating private enterprise. What makes its members unusual is that they want more, not less, official control over their affairs and a new bureaucracy set up to ensure that it is rigorously exercised.

This is not a hallucinatory vision concocted to give sleepless nights to free market enthusiasts in the Cabinet. It is the bizarre, though logical, consequence of Britain's increasing isolation as one of the few Western countries not yet to have enacted legislation on data protection and privacy.

About a dozen countries, including the U.S., Canada, France and West Germany, have already passed laws intended primarily to prevent misuse of the vast amounts of personal information about individuals stored in computer data banks. Several other countries are preparing to follow suit shortly.

The Paris-based Organisation for Economic Co-operation and Development has published a set of international guidelines for its members, while the Council of Europe has drafted a convention which is now ready to be signed by its members. Though the UK was closely involved in the preparation of both documents, it has not committed itself so far to putting either into effect.

Pressure on the Government to fall into line is coming from companies including ICL, Unilever, Lucas, American Express, Shell and Beecham. Similar demands are being made by organisations as diverse as the National Council for Civil Liberties and the British Computer Society and, increasingly, from within the Industry Department.

The companies' motives stem more from self-interest than from altruism. Most of them have worldwide operations and need to be able to move large volumes of data freely from one place to another. They fear that unless Britain passes a law soon, other countries may retaliate by placing restrictions on international data flows which could harm their business activities.

An investigation to determine what, if any, economic damage Britain has suffered because of its anomalous legal position has been launched by the Trade Department. The Computer Services Association is also studying the impact on companies which operate international computer time-sharing networks.

Within the past ten years, two reports, issued by the Younger and Lindop Committees, have called for statutory safeguards in Britain. But successive Governments have ducked the issue. The reasons seem to have less to do with genuine reservations of principle than with inertia among Home Office civil servants. The latter were sharply rebuked in a Parliamentary committee report late last year, but it seems unlikely that any legislation will be drafted before next year at the earliest.

DATA PROTECTION LEGISLATION

Australia	provincial
Austria	national
Canada	national, provincial
Denmark	national
France	national
Germany	national, local
Luxembourg	national
New Zealand	national
Norway	national
Sweden	national
Switzerland	cantonal
U.S.	Federal, state

Source: Transnational Data Report

The laws in most other countries seek to impose a number of broadly similar common objectives. They require that data about individuals be collected lawfully and with the knowledge of those concerned; that the data be used only for specified and legitimate purposes; and that individuals should be told what information is held about them and by whom.

The U.S. Privacy Act, which took effect in 1975, covers only computerised data gathered by the Federal Government (though several states have also passed their own laws). But in Sweden and some other European countries the legislation applies also to paper files in both public and private hands.

Though intended to safeguard personal privacy, most of the laws have also led in practice to fuller public disclosure of information since that is the simplest way to enforce their provisions. In Sweden, where the average citizen is registered on more than 100 files, this has had an unintended side-effect.

In the U.S., individuals are left to secure disclosure of data about them. But in Europe, the pattern has been to set up special bodies, usually known as Data Inspection Boards, to administer the law and in some cases also to act as ombudsmen. While legally protected from direct government intervention, the boards often have extensive discretionary powers to apply the law as they choose.

In several European countries, companies which want to send data across the border must first obtain the board's formal authorisation. In Austria, Denmark and Luxembourg the boards are also empowered to compel companies to disclose commercially sensitive information, such as details about customers.

That these provisions have created few serious problems for business so far is due mainly to the pragmatic manner in which they have been administered. But severe disruptions could ensue, nevertheless, if the boards decided to interpret the laws strictly to the letter.

Vast amounts of personal information are now stored on computers and can be transmitted across the world instantaneously. The risk of its misuse has led a growing number of countries to enact data privacy safeguards.

Many companies have chosen in the past to site their European data bases in Britain. But some now fear that they may lose customers abroad because the UK offers no safeguards on data protection and privacy comparable with those in force in their own countries.

Another, more sinister, possibility is that the laws could be used as a weapon of trade protectionism. If other Governments believed that countries like Britain were luring away data-processing business by offering unregulated "havens," they might retaliate by trying to curb the data sent there to be processed.

That risk could grow as many Western economies look increasingly to industries based on information processing to stimulate their future growth.

Many U.S. experts detect a strong economic overtone to recent European moves to legislate on trans-border data flows. Indeed, some trace the origins of the issue to 1967, when Canadian authorities became alarmed at the number of companies which sent data to be processed cheaply in the U.S.

In those days, data were often transported physically to big central computers which performed processing in batches. But the recent spread of increasingly inexpensive computer technology and the development of techniques, such as satellite communications, for sending data almost instantaneously over long distances have thrown up many new complexities.

Attempts to place legislative controls on rapid technological change have produced inconsistencies. It is clearly anomalous that laws on trans-border data flow apply to data transmitted electronically but not to the same information contained on a magnetic tape and sent through the post.

A particularly sensitive issue is posed by electronic mail services, which can transmit text between computer terminals in offices or private homes. Many people would argue that the information transmitted on such services, already planned by postal authorities in the U.S. and many European countries, should be treated as confidentially as letter mail.

Messages could be automatically coded when transmitted and unscrambled on receipt. But authorities in several countries, including Britain, specifically prohibit encryption (i.e. coding) at present unless they are supplied with a "key" enabling them to break the code.

Data sent on electronic mail are also volatile, so it might seem reasonable to build into the services record-keeping systems to ensure that messages are correctly routed. But Dr. Willis Ware, of the Rand Corporation, is concerned that such records could provide material for surreptitious surveillance by public authorities in violation of individual privacy.

As computer use expands, the need to ensure the security of data, as distinct from the privacy of the individuals it concerns, is also starting to command more attention. But even today, many experienced computer users seem blithely unaware of how vulnerable their systems can be to illicit tampering.

A conference organised in Monte Carlo last month by CII-Honeywell Bull, France's biggest computer manufacturer, heard how a 15-year-old boy cracked the security system of a London-based time-sharing service, using a teletype terminal in his school. According to Mr. Stein Schjolberg, a senior Norwegian police officer who told the story: "He had the power to take over the system completely."

Because such techniques are difficult to detect, many computer crimes may go unreported. To date, about 660 incidents are on record, most of them in the U.S. Only three cases have ever been referred to Interpol.

Mr. Donn Parker, of SRI International, the Stanford research institute, points out that some computer frauds involving millions of dollars can be carried out in as little as three-thousandths of a second. He estimates that the crime detection rate may be as low as 15 per cent.

Another reason may be that institutions such as banks, which depend heavily on public confidence in their operations, are unwilling to admit that they have been victims of computer fraud.

Lawyers and the computer industry are divided over whether special new laws are needed to deal with computer crime. But the consensus view is that prevention is better than cure. Partly because U.S. Government agencies have found that they need to make their data-bases more secure to comply with the Privacy Act, American computer suppliers are now designing machines with built-in safety devices.

Newer security mechanisms embody techniques for identifying computer users by the use of codewords—or even personal "voice-prints"—and for restricting different operators to specified parts of a data base.

But machines, it is generally agreed, can provide only part of the solution to the problems which they have created. In the last analysis the only really effective safeguards lie in exercising well-tried management skills such as careful staff selection, vigilance and that most peculiarly human quality—plain old good judgment.

Letters to the Editor

Intensifying inflation

From Mr. J. Clayton

Sir,—Your summary (February 6) of the constitution of the Scott Committee omitted that its chairman, Sir Bernard Scott, is a banker: influenced by the only sector of the private economy that can "afford" index-linked pensions. Moreover, it is salutary to note the views thereon of the chairman of "the most profitable bank in the world."

During the past decade, with average growth of some 2 per cent, an ever-increasing proportion of the national product—3.6 per cent GNP in 1969 to 5.5 per cent GNP in 1979—is transferred annually, more or less tax free, to pension and life assurance funds to pre-empt future growth. Moreover, public sector pay has, during the decade, increased from 19.6 per cent GNP to 22.5 per cent GNP; and State grants to the personal sector have increased from 9.8 per cent GNP to 12.8 per cent GNP. These pressures have materially influenced the huge inflationary leap: from an annual average of 3½ per cent to 14 per cent.

I have recently cashed-in my first £500 of "granny-bonds" at £1,004 — compound interest 15 per cent per annum. To implement Scott, Mr. Gilling-Smith suggests (February 7) a Government issue of indexed bonds with a 3 per cent coupon! Thus to continue with index-linking of public sector pensions and Government subsidy of private pensions can only perpetuate and intensify inflation.

The sensible, fair, non-inflationary mode of dealing with pensions—Government or private—is on a contractual non-indexed basis; voluntarily augmented annually, having regard to inflation and the prosperity of the undertaking. Such a basis I commend to Mrs. Thatcher for public sector pensions in future.

Jack Clayton,
19, Park Road, Cheam, Surrey.

An illogical element

From Miss K. Campbell

Sir,—Apropos the Scott report, are the yearly increases in index-linked public service pensions calculated on the basic (first year's) pension, or on the basic pension plus the subsequent yearly increases? If the latter, then this compounding is the truly inflationary (and illogical) element.

(Miss) K. E. Campbell.
46, Huron Road, SW17.

Incentive destroyed

From the Opposition Leader, Southwark Borough Council

Sir,—Two of the tasks which this Government was elected to carry out were the reduction of inflation and the rejuvenation of the wealth-producing sector of the economy. Let it not be deflected by Sir Bernard Scott's report on inflation-proofed pensions in the public sector.

The power of the civil service and of local government officers in decision-making at all levels of government is great and is increasing. As long as those public servants, as individuals, enjoy inflation-proofed salaries and pensions and hold most of their wealth in the form of houses acquired by tax-relieved borrowing and disposable free of capital gains tax they will not be psychologically prepared to recommend effective anti-inflationary policies.

(Councillor) Toby Eckersley.
30 Berryfield Road, SE17.

The cost of pensions

From Mr. R. Nottage

Sir,—Mr. Sibly of the Legal and General Assurance Society is wrong when he says (February 3) that "contracting-out does not affect the total cost of the National Insurance scheme, which is determined by the current outlay on benefits." The proportion of the nation's employees contracted out has a significant bearing on the current cost of the scheme, and this is not determined solely by the current outlay on the scheme's benefits.

In his report on the financial provisions of the Social Security Pensions Bill 1975 the Government Actuary said that "The lower rates of contribution which will be payable in respect of contracted out employees will lead to an immediate loss of income which has to be made good by setting a higher general contribution rate." Table 2 in that report indicated that in the first five years the general contribution rate was expected to rise by about 0.3 per cent for every 1m employees contracted out.

My statement (January 26) that the contracting out of 10m employees will mean a general contribution rate in 1981-82 of 16.5 per cent instead of the 13.7 per cent that would be required with no contracting out is consistent with the Government Actuary's 1975 estimate. My figures are based on the estimates for 1981-82 in the Government Actuary's report on the Social Security (Contributions) Bill 1980.

The Government Actuary estimates in his latest report that the rebate of contributions in respect of the 10m contracted out employees in 1981-82 will be £3.5bn. This sum must represent the amount that the contracted out employers and their employees will have to pay into their employer based pension schemes in that year to cover the considerable liabilities that they chose to retain.

Thus, the total cost to the nation next year for the benefits payable by, or accruing under, the National Insurance scheme will be broadly as follows:

	£bn
Benefits payable from the NI fund	17.1
Payments to contracted out employers' pension funds in respect of statutory earnings-related pensions	3.5
	20.6

If no employer had contracted out of the state pensions scheme, however, the cost of in 1981-82 would have been only £17.1bn, i.e., the amount of the benefits then payable from the National Insurance fund.

Since the contracted out employers inflicted on themselves (and others) a higher National Insurance general contribution rate than necessary, and have also to build up funds to meet their retained pension liabilities, they must now be paying at least 20 per cent more for their employees' National Insurance benefits than would have been needed with no contracting out.

With the Government so anxious to reduce the public sector borrowing requirement and to lighten the financial burdens of private sector employers, Treasury Ministers surely cannot ignore much longer the cost of keeping public sector employees contracted out of the state scheme. Compared with this monstrous piece of extravagant financing, many of the other economies they seek are very small beer indeed.

Raymond Nottage.
36, Arkwright Road, NW3.

Voting at Lloyd's

From Major C. P. Martel

Sir,—I have been an underwriting member of Lloyd's for over a quarter of a century and have been quite content with the information and assistance I have received from my agents during this time.

I have read Sir John Mallabar's letter (January 31) and agree with him that nominees of the proposed association are likely to become a disruptive influence, and are unlikely to contribute to the efficient operation of Lloyd's.

Rather than admit such a Trojan Horse into our city, should not the external members who feel as I do (probably some 14,000 to 15,000 of us) make it quite clear that we will not vote for election to the council of anyone nominated by the association. This would seem to be the best way of ensuring that a vociferous minority does not obtain any effective voice in controlling the destiny of the majority of us over the years ahead.

(Major) Peter Martel.
Manor House, Gayles, Richmond, Yorks.

British Airways timekeeping

From the Deputy Chairman and Chief Executive, British Airways

Sir,—While British Airways shares Mr. John Baker White's concern (February 3) over the recent one-day strike by our engineers and ground staff and the effect this had on our passengers and our finance, we cannot agree with his general condemnation of our timekeeping.

During January, 70 per cent of British Airways' longhaul flights, 80 per cent of shorthaul and domestic, and 90 per cent of Shuttle flights left on time. In fact, our recent timekeeping on longhaul is the best we have achieved for ten years and the best for four years on shorthaul.

Our current record is also better than eight out of ten of the major U.S. airlines as reported by the U.S. Civil Aeronautics Board.

R. Watts.
P.O. Box 10, Heathrow Airport (London), Hounslow.

High risk credit

From the President, National Federation of Hide and Skin Markets

Sir,—The letter from Mr. L. Scruton (February 2) raises a fundamental issue of credit protection where Government funds are involved through private enterprise companies.

In 1979, British Tanners Products, which was 50 per cent owned by the National Enterprise Board, crashed after three years' trading in spite of its backing from Government agencies, leaving the unsecured creditors without any hope of recovery.

Regardless of the processes of law and the amount of credit extended to BTP, the interest of the Government through its equity holding was undoubtedly assumed to imply a degree of confidence which proved to be without value.

The question may be more significant than realised at first sight, when the credit controllers of companies supplying British Leyland have to assess their risk of loss in two years' time.

C. R. Johnson,
66 High Street, Great Missenden, Bucks.

Learning from experience

From Professor R. Ball

Sir,—Mr. Wynne Godley (February 6) rattles a (well-known) skeleton in my "reconstructed Keynesian" cupboard. Unfortunately there is more to his remarks than simply that. They imply that to change one's economic viewpoint in the light of experience is something to be ashamed of.

There has never been any secret as to my own change of view, nor that of a small minority of others, since 1973. I hope that the purpose of both experience and research in economics is to encourage learning. Whether one has learned the right lesson is debatable. The suggestion, however, that anyone who changes his view, as the result of an honest attempt to interpret both experience and learning, should be ashamed of the fact casts doubt on the entire process. In principle the purpose of research is not to defend entrenched positions, but perhaps in some places that is viewed rather differently.

(Professor) R. J. Ball.
London Business School,
Sussex Place, Regent's Park, NW1.

An uninformed public

From Mr. H. Dykes, MP

Sir,—The "Which?" survey on the Common Market (February 5) proves yet again that the public is anti-EEC when it is unaware of the objective facts. Everything European is so complicated, but if the public gets the facts, then it is much more enthusiastic. I have noticed this at meeting after meeting, when the recurrent theme is "no-one told us that."

Sadly, but understandably, the media prefers to concentrate on sensational bad news from Brussels. Rarely does a newspaper give a balanced picture any more. Is this to do with the battle for circulation?

Hugh Dykes,
Chairman, Conservative Group for Europe,
House of Commons, SW1.

Today's Events

GENERAL

UK: Mr. David Howell, Energy Secretary, gives lunchtime lecture to Institute for Fiscal Studies on economic implications of North Sea oil, Grosvenor Hotel, SW1.

Miners' leaders meet National Coal Board to discuss pit closures.

National Farmers Union starts two-day annual meeting, Kensington Town Hall.

Mr. Roy Jenkins addresses American Chamber of Commerce, Hilton Hotel, SW1.

Mr. Hugh Rossi, Minister for Disabled, speaks at Womens Advertising Club of London lunch, Savoy Hotel, WC2.

Overseas: President Anwar Sadat of Egypt addresses European Parliament, Luxembourg, on EEC's Middle East peace initiative.

Polish High Court examines application for registration of Rural Solidarity (farmers' union).

EEC Fisheries Ministers meeting concludes, Brussels.

PARLIAMENTARY BUSINESS

House of Commons: Second readings of the Atomic Energy (Miscellaneous Provisions) Bill and Armed Forces Bill. Motion on the British Railways Board (Increase of Compensation) Order.

House of Lords: Motion on Report of Select Committee on Procedure. Public Passenger Vehicles Bill, second reading. Statute Law (Repeals) Bill, second reading. Energy Conservation Bill, third reading. Representation of the People (Variation of Limits of Candidates' Election Expenses) Order 1981. Contempt of Court Bill, report stage.

Select Committee: Procedure (Supply), on supply procedure. Witness: Mr. D. A. Bradshaw, Clerk Assistant, House of Commons, Room 15, 4 pm.

OFFICIAL STATISTICS

UK banks eligible liabilities, reserve assets, reserve ratios and special deposits (mid-January). London clearing banks' monthly statement (mid-January). Central Government transactions (including borrowing requirement), for January.

COMPANY MEETINGS

Archimedes Investment Trust, 37 Queen Street, EC, 12.30. Baggeridge Brick, Midland Hotel, Birmingham, 12.30. Johnson and Firth Brown, Royal Victoria Hotel, Sheffield, 3. NSS Newsagents, Ryde House, Chobham Road, Woking, Surrey, 2.30. New Sylhet, Blue House, Washington, Tyne and Wear, 2.30. Tomkinsons Carpets, Duke Place, Kidderminster, 12.

Interim profits surge 150% at R. P. Martin

FIRST-HALF pre-tax profits of R. P. Martin and Co., foreign exchange broker, leapt by 150 per cent from £282,000 to £705,000 and the directors look forward to a favourable outcome for the full year.

And the interim dividend, for the period to December 31, 1980, has jumped from 1.5p to 2.75p net per 5p share, a rise of 83 per cent—last year's final was 3p paid from a pre-tax surplus of £978,000.

Mr. M. D. Phelan, chairman and managing director, says that all of the company's markets remain active and the New York subsidiary continues to make a contribution to group profits.

He adds that the directors are confident that Martin now has the international base from which to expand organically and by prudent acquisitions.

Six months' turnover amounted to £4.27m against £3.21m, and profits included associates' share of £252,000 compared with £102,000.

After tax up from £168,000 to £284,000 net surplus came out at £421,000 (£114,000) giving earnings per share of 10.27p (2.75p).

After minority losses of £3,000 (nil) and the interim dividend cost, £113,000 (£62,000), the amount retained was £311,000 against £52,000.

Comparative figures have been restated to reflect the change in accounting policy, adopted in June, 1980, whereby results of overseas associates are included on a coterminous basis.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre- sponding div.	Total for year	Total last year
Manchester Ship	Nil	—	10.88	7.5	18.38
R. P. Martin ... int.	2.75	April 11	1.5	—	4.5
Murray Western	1.8	April 3	1.6	2.3	2.1
Murray Western ... int.	0.6	Aug. 29	0.5	—	2.3

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues.

● comment

Shrugging off the recent collapse of bid talks with Bierbaum the German money brokers, R. P. Martin shares rose to a new high yesterday on the back of a 150 per cent surge in half year pre-tax profits. Higher earnings reflected an improvement in the trading performance of the New York office, buoyant London foreign exchange markets and a leap in contributions from its Hong Kong, Singapore and Bahrain offices. The second half should bring annual earnings to around £1.7m as Martin continues to reap the benefits of the past few years overseas expansion, particularly in New York, where its operations have been beefed up by entering the Federal Funds market. Longer term, Martin hopes to capitalise on the recovery of its share price to finance further expansion in the U.S., possibly into the financial futures market, and to continue strengthening its domestic presence. At 166p, assuming a doubled total dividend payment for the year of 9p net the yield would be nearly 8 per cent and the prospective p/e, fully-taxed, is around 8.6.

Manchester Ship near £1m in red

The Manchester Ship Canal Company made a pre-tax loss of £979,000 in 1980 compared with a £1,782,000 profit in the previous year. The company has been hard hit by the recession and has omitted its final dividend.

Operating revenues were virtually unchanged at £25,542,000. Traffic fell by 9 per cent during the year and despite two rate increases, the company was not able to recoup its increased costs, of which dredging was one of the most significant.

At the halfway stage, the directors decided to pay an unchanged interim dividend of 7.5p per £1 share the previous year's final was 10.88p.

The company has charged exceptional items of £1,331,000 for accelerated depreciation and another £781,000 to cover voluntary severance. Last year the labour force was cut by 200 and another 300 are currently in the process of being shed. This will take the workforce down to 2,700.

The effect of the exceptional items led to an after-tax loss of £2,648,000 in 1980, compared with a £1,082,000 profit. Loss per share was 72.4p (25.1p earnings).

At halfway, the company made an operating loss of £341,000, but the situation deteriorated in the second six months when a £1,751,000 operating loss was incurred. Operating profits for the last full year totalled £1,055,000.

Continued pressure on Gestetner's margins

INCREASED TURNOVER, but a continued pressure on margins during the first two months of the current year are disclosed at Gestetner Holdings, the international reprographics and supplies concern, by the joint chairmen, Mr. David and Mr. Jonathan Gestetner, in their annual review.

And after expressing confidence in the group's products and trading expertise, and stating that the immediate objective remains to increase penetration in copying, they say that for continued group prosperity, "we need to enter new fields, probably involving higher technology."

As reported on January 23, taxable profits for the year ended November 1, 1980 fell from £19.35m to £16.22m, on turnover of £280.8m (£267.9m), and were hit by the strong pound and high interest rates—interest charged was £5.12m (£3.57m). The dividend is maintained, however, at 5.25p per share.

On a CCA basis profits are reduced to £2.31m (£6.13m), but after the year's tax charge of £7.88m against £6.39m, there was a net loss of £5.57m compared with £265,000.

The chairmen are confident that developments in the stencil duplicating division will ensure that this process will retain an important role within reprographics and the group will remain the market leader in this area—two new models were introduced during the year and further ones are planned during the current year.

The market worldwide for offset machines suffered a recession, they explain, but Gestetner maintained its market share while sales of offset plates and inks again showed an increase.

Sales of plain paper copiers continued to expand and placements were more than 50 per cent up. Towards then end of the year model 2003 was introduced in France, sales of which will be extended to cover the whole of Europe.

"Intensive development aimed at expanding the Gestetner range is continuing and it is planned to introduce new models to the market this year," they state.

They add that these introductions, combined with the photo-conductor developments, indicate the attainment of levels of technology which will significantly increase group penetration of the worldwide copier market.

UK manufacturing margins continued under pressure, despite a stringent review of costs, and the recession affected the selling organisation which showed considerably lower profits.

Results in some of the European subsidiaries were disappointingly lower, but good performances in France and Italy helped to partially redress the balance.

Results in the Americas improved considerably, but better results from some countries in Africa were offset by lower profitability in several areas in Asia.

Meeting, 210, Euston Road, NW, on March 26 at 11 am.

Difficult year seen by SGB

IN THE deepening recession, SGB Group faces an unprecedented challenge in the current year to even approach last year's record profits, Mr. N. Clifford-Jones, the chairman, warns in his annual statement.

But despite this, he points out that the group has particular defensive strengths, especially to do with cash flow.

As reported January 14, pre-tax profits for the year ended September 27, 1980, reached £16.28m (£14.51m) on turnover up from £119.34m to £139.55m. CCA profits, before tax, were £12.14m (£11.18m).

The group is engaged in the supply and hire of equipment and services, mainly to the building, civil engineering, energy and manufacturing industries.

At the year-end, shareholders' funds were up from £49.08m to £58.81m. Long- and medium-term borrowings rose to £15.89m (£13.59m), while short-term loans and overdrafts totalled £10.2m (£8.16m).

Meeting, Waldorf Hotel, WC, March 17, 11.30 am.

Electronic Machine up midway

Taxable profits of the Surrey-based Electronic Machine Company rose from £39,048 to £52,647 in the half year to September 30, 1980, a rise of 35 per cent. Sales for the period were also higher, improving by 27 per cent to £1.19m, compared with £937,000.

The directors point out that in view of the continuing recession and the uncertainty of its length, it is difficult to forecast a clear picture for the remainder of the year. However, as the company's profitable areas look likely to continue and the problem areas are being contained, they expect the full year's results to be similar to last time's.

For the year to end-April, 1980, the group, whose interests include optical components and systems, precision engineering, tracking radar, electronic devices and controls and safety equipment, reported pre-tax profits of £113,805.

Tax for the six months took £12,000 (£10,000), leaving an attributable profit of £40,647 (£27,548). Stated earnings per 25p share were 1.66p (1.12p).

There is again no interim dividend—the last payment was 0.8125p net for the year to end-April, 1975.

Commenting on the half-year the directors say they expected the recession to continue to adversely affect the trading of Ellis and EMC Sales and the deflationary action already taken has minimised the small losses being incurred by these two companies.

In addition, spending by certain Government departments on specialised equipment has been more depressed than expected and a number of export orders under active discussion were expected to crystalise but have not yet done so. As a result, the whole of the instrument division incurred a loss for the first half. Measures have been taken to contain this situation but at the present time the immediate prospects do not look bright for these sectors of the business.

Meanwhile, engineering and radar have continued to trade strongly; and the short- to medium-term prospects still appear favourable for these activities, the directors conclude.

Good year for TSB Trust

A good year for new life business is reported by the TSB Trust Company, the insurance and unit trust arm of the TSB Group. New annual premiums in 1980 rose by 14.7 per cent from £21.35m to £24.49m, while single premiums doubled from £7.06m to £14.26m. New sums assured were nearly one-quarter higher at £391m against £316m.

Sales of linked life regular premium contracts remained strong last year, the Trust's Harvest Savings Plan being popular, and accounted for around 95 per cent of annual premium business.

The remaining annual premium business was term assurance contracts, much linked with the TSB's mortgage scheme. Very few with profit endowment contracts were sold to repay mortgages.

The growth in single premium business came entirely from sales of income bonds—the TSB Guaranteed Bonus Bonds. The amount sold last year more than doubled from £6.04m to £13.68m, even though the Trust did not get involved in selling the type of bond that relies heavily on tax relief for its yield.

However, sales of single premium linked-life contracts were halved from £1.04m to £580,000—lump sum investment through the TSB is usually made direct into unit trusts.

Strong growth in its UK life and pensions business last year is reported by the National Mutual Life Association of Australasia, with new annual premiums improving by 46 per cent to £1.37m. New sums assured totalled £105m compared with £65m in 1979. Worldwide business of the Association in 1980 saw annual premiums of £45.7m against £42.1m and sums assured of £2.47bn (£2.12bn).

The Association is improving its UK bonus rates for 1980 to £40 per £1,000 of sums assured and attaching bonuses for ordinary life business against £37 per mille. On pension contracts, the ne wrate is £48 per mille

ARGUS PRESS GRP.

A private consortium headed by Mr. Jack Reason and supported by Ionian Securities has bought three small printing businesses from Argus Press Group for an undisclosed sum.

The three companies, Plymouth Web Offset, Clarke Doble and Brendon, and Bowering Press, occupy a modern 70,000 sq ft plant at Plymouth and have a turnover of about £2m. They will continue trading and the jobs of the 120 employees at the plant will be unaffected.

The executive directors will remain as before with Mr. Reason as managing.

Revenue rise for Glasgow Stockholders

Revenue of Glasgow Stockholders Trust increased from £500,344 to £546,610 for 1980, after tax of £269,866 against £268,043, and the dividend is stepped up to 4.25p net per share with a final of 2.5p—in July the directors forecast a total of not less than 4p. Last year's distribution of 3.8913p included a 0.4413p special.

Also proposed is a one-for-one scrip issue.

Gross revenue amounted to £1.18m, compared with £989,321, and after-tax earnings per share are shown as 4.8p (4.38p).

After prior charges at par net asset value is given as 197.5p, as at December 31, against 146.2p.

Winding up for seventeen companies

Only 17 companies had compulsory winding up orders made against them by Mr. Justice Nourse in the High Court this week.

They were: Asia Cultural and Entertainment Tours (London), Larvac Builders, La Falandy UK, Key Gaurds (Security), Sandfayre.

Piermt Publishing, Eptambridge Property Co, V B' Vickers and Co., Call-Sport and Leisure, J. Royale Records, R. T Rogers (Builders).

Aristocrat Automatics (Sales), Donnlard, Trenotried, R. H. Spicer Building Company, Shaftesbury Furniture and W.F.G. (Photographers).

A compulsory winding up order made on February 2 against Heathergate was rescindede, and the petition dismissed by consent.

Christian Salvesen profits fall 11% despite maintained sales

DESPITE MARGINALLY higher sales of £135.6m, against £135.4m, pre-tax profits of Christian Salvesen, the unquoted Edinburgh-based company, fell 11 per cent from £16.9m to £15.1m for the year ended September 30, 1980.

Mr. L. M. Harper Gow, the chairman, says that in general the group operated well in the face of difficult trading conditions. Three divisions—properties, marine and oil services—increased profits, but results from food services were hit by an exceptionally poor vegetable harvest, while the seafoods side had a very poor year.

A divisional breakdown of sales and trading profits shows (in £000's): food services £52,704 (£52,215) and £6,248 (£7,331); properties £44,156 (£41,860) and £5,926 (£4,989); seafoods £26,685 (£30,916) and £657 loss (£757 profit); marine £6,804 (£6,466) and £1,465 (£889); oil services £5,207 (£3,933) and £298 (£53).

Current cost accounts show considerably lower pre-tax profits of £3.37m when compared with the historical figure. Additional depreciation accounted for £4.43m, cost of sales £5.47m, monetary working capital £1.57m, less gearing of £1.75m.

The chairman remains guardedly confident about the future. He believes that overall the group has sound businesses with good prospects and that there was an unusual combination of adverse factors in 1980.

He adds that in view of the rapidly deteriorating trend in the seafoods industry over the last few years and the uncertainty surrounding the future, the group's position in the industry has been reviewed and steps to limit its exposure have been taken.

Trading profits for the year fell from £14.02m to £13.28m. Interest took £3.03m (£2.44m) but the pre-tax figure was boosted by exceptional credits of £3.83m (£4.76m) and investment income up from £0.56m to over £1m.

At the attributable level, profits were ahead from £15.78m to £20.57m, reflecting tax of only £174,000 (£5.08m) and £5.74m (£4.04m) deferred tax written back for stock relief. The dividend is raised from 14p to 16.1p, absorbing £1.88m (£1.66m).

Despite the downturn in trading profits, the group generated a larger cash surplus than in 1978-79 mainly through more effective use of working capital, Mr. Harper Gow states. The balance sheet at the year end was stronger than last time and net borrowings were reduced £3.5m to £16.6m, despite investing £12.3m (£10.1m) in new assets. Shareholders' funds rose from £70.56m to £89.25m. The Board is determined to maintain a strong financial position.

As known, the group is changing its financial year end to March 31 and therefore, the current trading period will be for six months ending on that date.

Meeting, Edinburgh, March 3, at noon.

Argyll's active return

Spurred by the £19.5m acquisition of Oriel Foods, several million shares in Argyll Foods were reported to have changed hands when they returned from suspension yesterday.

Suspended in December at 78p, the old shares opened yesterday at 109p ex-rights, while the new shares were priced at a premium of 53p to the rights issue price of 65p. Both moved higher before closing at 116p.

Restructuring for Hogg Robinson

Hogg Robinson Group, the insurance broker with large Lloyd's of London interests, is restructuring its UK and European operations under a new company, Hogg Robinson Europe.

The new group will co-ordinate the marketing of all classes of insurance broking and also seek to expand by acquisition.

The formation of Hogg Robinson Europe brings together the group's retail insurance broking, benefit consulting (life and pensions), credit insurance and political risk insurance.

The Continental companies involved are Continental Benefit Consultants and Credit Insurance associates in Belgium, France and Holland as well as its general insurance interests in Guernsey, Italy and Malta.

Fraser trustees purchase

Trustee interests of Sir Hugh Fraser, the deposed chairman of House of Fraser, the Harrods stores group facing a 150p cash bid from Lonrho, increased their stake in Fraser by 75,000 shares.

On January 22 Hugh Fraser Foundation bought 75,000 shares for an undisclosed price.

Trustee interests on Sir Hugh Fraser are estimated to hold around 3.5 per cent of the Fraser equity. Lonrho's stake stands at 29.99 per cent.

Yesterday, Professor Roland Smith, the newly appointed £50,000 a year part-time chairman, and other members of the Fraser board were met at the City offices of S. G. Warburg, advisers to the Fraser group, to discuss tactics for fighting the bid from Lonrho which has been dismissed by the board as "totally unacceptable."

Fraser shareholders are likely to be contacted shortly by the board which will outline its preliminary objections to the offer.

DELTA METAL CHANGES NAME

The Board of Delta Metal proposes to change the name of the company to Delta Group, or Delta Group P.L.C. as it will become after complying with the provisions of the Companies Act 1980.

RESULTS AND ACCOUNTS IN BRIEF

ARBUTHNOT STERLING FUND—Retained revenue for period August 31, 1979 to October 31, 1980, £9,241, gains realised and unrealised on portfolio £293,849, net asset value per share 116.56p, interest receivable £60,296.

ARBUTHNOT GOVERNMENT SECURITIES TRUST—Second interim dividend 3.19p (3.1875p) net. The board intends to pay two further quarterly dividends making 12.76p (12.755p) for the year to July 31, 1981. Directors believe interest rates will continue to fall substantially during the current year. This should prove beneficial for gilts, and so for the company's investment portfolio.

BAKERS HOUSEHOLD STORES—Results for year ended September 27, 1980, and prospects reported January 8. Shareholders' funds £2.58m (£1.86m). Cash £1.34m (£0.76m). Mortgage loan nil (£19,000). Meeting, Leeds, March 4, noon.

BIRMINGHAM PALLET GROUP (light engineer)—Results for the year to October 31, 1980, reported January 13. Shareholders' funds £1.36m (£686,681). Increase in net liquid funds £67,201 (£101,122 decrease). Meeting, Birmingham, February 26, at noon.

BURCO DEAN (domestic appliances, security systems, die-castings and plastic mouldings manufacturer)—Results for year to September 30, 1980, reported December 12. Shareholders' funds £7.41m (£8.79m). overdrafts £952,000 (£1.66m), bank and cash £13,000 £163,000). Meeting, Great Eastern Hotel, EC, February 24 at noon.

DUNBAR GROUP (banker)—Results for 1980, reported January 23, with chairman's observations on prospects. Shareholders' funds £1.93m (£1.47m). Deposit and current accounts £10.43m (£8.97m). Cash and short-term funds £5.73m (£4.72m). Advances £6.87m (£6.12m). Meeting, Quaglino's Hotel, S.W., on February 24, at 11.45 am.

DURA MILL—Pre-tax profit for the half-year to September 30, 1980, £1,366 (£1,257). Turnover £311,137 (£346,061). Tax £467 (£430). Earnings per share 1.08p (0.99p). No interim.

GRANGE TRUST—Results for year to November 30, 1980 reported January 17. Shareholders' funds £14.81m (£10.39m), investments £15.78m (£11.36m), comprising £11.24m (£8.47m) listed on the UK Stock Exchange, £4.47m (£2.81m), listed on exchanges abroad and £66,500 (£73,900) unlisted at directors' valuation. An interim dividend of 1.3p (1.1p) net is forecast. Meeting, 70 Finsbury Pavement, EC2, February 27, at 12.30 pm.

HELENE OF LONDON (manufacturer of fashion and leisure wear)—Interim dividend for year to December 31, 1980, unchanged at 0.37p—last year's total was 1.48p.

GLANFIELD LAWRENCE (motor vehicle distributor and engineer)—Results for the year to September 28, 1980, announced January 23. Shareholders' funds £1.82m (£1.75m), bank overdrafts (partly secured) £488,044 (£384,583), bank loans and acceptances (secured) £694,000 (£785,000). Chairman reiterates his earlier statement that sales in the first few months of the current year have been encouraging and with a reduction in interest rates the group anticipates a return to profitability during the period. Meeting, 407, High Road, North Finchley, N., March 9, noon.

LONDON AND GARTMORE INVESTMENT TRUST—Net revenue for half year to end-December, 1980, £52,108 (£19,949), tax £35,513 (£10,022), stated earnings per 50p share 1.226p (0.469p), gross revenue £177,731 (£135,628). Total funds as at December 31, 1980, £6.9m (£5.7m as at June 30, 1980); a net asset value per share 133.68p (106.5p).

RAEBURN INVESTMENT TRUST—Results for the year to November 30, 1980, already known. Shareholders' funds £59.55m (£44.02m), bank balances £80,287 (£39,912) investments at market valuation £80.93m (£42.67m). Meeting, Moorfields, London, February 20, 2.30 pm.

ROWLAND GAUNT (ladies' wear manufacturer)—Net loss for half year to December 31, 1980, £6,739 (profit £4,232). Tax nil (£3,200). No interim (same). Chairman reports that over the past few months there has been a decline in demand for the company's products, particularly in the home market. Although half year's results are disappointing he is not pessimistic regarding the longer term viability of the company and its future profitability.

WATSON AND PHILIP (distributor of foodstuffs)—Results for year, to October 31, 1980, reported on January 23. Shareholders' funds £4.35m (£3.28m); debtors and prepayments £4.77m (£4.47m). Historical pre-tax profits of £504,000 (£780,000) reduced to £200,000 (£548,000) on a CCA basis. Chairman says there are reasonable grounds for hoping that this year will show some improvement over 1979-80. Meeting, Dundee, March 19, at 3.30 pm.

WINTERBOTTOM TRUST—Net asset value as at January 30, 1981, 365.2p, after deduction of prior charges at par.

WINTERBOTTOM TRUST—net asset value at February 6, 1981, 371.5p after deduction of prior charges at par, and 384.6p with prior charges at market values.

LONDON TRADED OPTIONS

(Feb. 9 Total contracts 758)

Option	Ex'rcise price	April Closing offer	April Vol.	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Equity close
BP	390	38	10	58	—	70	—	412p
BP	420	20	—	40	6	54	—	"
Com. Union	140	17	—	21	2	25	—	153p
Com. Union	160	7	27	11	—	14	10	"
Cons. Gold	460	22	—	32	1	45	—	436p
Cons. Gold	488	15	20	—	—	—	—	"
Cons. Gold	500	—	—	17	14	27	2	"
Cons. Gold	550	—	—	8	1	12	5	"
Courtaulds	50	10	—	13½	10	15	50	56p
Courtaulds	60	3½	—	7	62	10	—	"
GEC	550	92	12	117	—	142	—	633p
GEC	600	53	28	80	—	107	—	"
GEC	650	23	11	52	8	77	—	"
Grand Met.	160	9½	1	16	4	22	—	162p
Grand Met.	180	4	16	8½	—	10	3	"
ICI	280	28	3	44	—	58	—	294p
ICI	300	15	8	30	1	38	—	"
ICI	330	7½	—	18	1	—	—	"
ICI	360	2½	3	7	16	—	—	"
Land Sec.	390	30	7	42	—	54	—	402p
Land Sec.	420	15	21	28	11	—	—	"
Marks & Sp.	110	19	10	26	—	29	—	125p
Marks & Sp.	120	9½	13	16½	—	22	—	"
Marks & Sp.	130	5	5	9½	—	14½	—	"
Shell	420	24	14	38	—	50	—	426p
Shell	550	2	5	6	—	—	—	"
Totals			214		137		70	
P. & O.	110	9	—	18½	1	19½	—	119p
P. & O.	120	3½	25	10	—	14	—	"
P. & O.	130	1	—	6½	10	10	3	"
Racal Elec.	300	37	26	52	—	65	—	335p
Racal Elec.	330	12	10	33	—	46	1	"
Racal Elec.	360	¼	—	18	35	30	—	"
Racal Elec.	390	¼	—	7	—	20	5	"
RTZ	354	23	1	—	—	—	—	375p
RTZ	390	—	—	22	1	38	—	"
RTZ	414	1½	1	15	2	—	—	"
RTZ	454	½	—	8	1	—	—	"
Totals			134		146		57	
		February		May		August		
Barclays B'k	480	½	15	4	—	10	—	380p
Imperial Gp.	70	11	—	12	7	14½	7	81p
Imperial Gp.	80	3	20	5	12	8½	—	"
Imperial Gp.	90	½	—	2½	—	—	—	"
Lasmo	650	15	1	70	2	100	—	659p
Lasmo	700	2	—	42	—	72	—	"
Lasmo	750	1	6	32	—	54	—	"
Lasmo	800	½	—	20	—	35	1	"
Lonrho	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Lonrho	100	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Lonrho	110	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Lonrho	120	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SPAIN

February 9	Price %	+ or —
Banco Bilbao	280	+8
Banco Central	324	+4
Banco Exterior	252	
Banco Hispano	265	+3
Banco Ind. Cat.	123	+1
Banco Madrid	141	
Banco Santander	329	+4
Banco Urquijo	171	+3
Banco Vizcaya	303	+4
Banco Zaragoza	228	+6
Dragados	115	−2
Espanola Zinc	48	
Fecsa	67.2	−0.3
Gal. Preciados	34.5	+0.5
Hidrola	65.7	+0.7
Iberduero	58	
Petroleos	91.2	−2.5
Petroliber	75	
Sogefisa	102	
Telefonica	61	−0.2
Union-Elect.	63.7	+2

BIDS AND DEALS

Caparo offers 55p for CMT

Caparo Group, a private holding company, is to make an offer for the 78.5 per cent of Central Manufacturing and Trading which it does not already own. Caparo is offering 55p cash for each CMT share, which values CMT at just over £10.5m.

The Takeover Panel had told Caparo to announce by 9.15 am yesterday either that it will be making an offer for CMT or that its talks with CMT had been called off, and that it would not be making an offer. Yesterday's announced offer meets the deadline.

After Hanson Trust made an offer for CMT on November 28, Caparo approached CMT and announced on December 15 that it might make an offer.

Hanson offered CMT shareholders 40p cash for each of their shares, with an alternative share exchange offer of one Hanson for every four CMT. At yesterday's price of 210p, the Hanson share alternative offer is worth £13.9m.

Caparo is the private holding company for a variety of interests of Mr. Swraj Paul. Caparo's subsidiary Natural Gas Tubes, manufactures steel tube in South Wales. The trading facilities of CMT would complement this manufacturing capacity; until last year CMT operated a tube-making company.

Caparo's industrial turnover last year was about £6m, producing pre-tax profits of 50.5m; slightly lower profits are expected this year.

Hanson stated that its offer would not be increased. Because Caparo has now officially entered a rival bid, Hanson will be free to drop its existing offer, and if it wishes raise its price above that offered by Caparo.

The independent directors of CMT, together with advisers Robert Fleming are strongly advised to take no action.

Ridgway sells off drop forging

Record Ridgway, the Sheffield hand tools maker for which Bahco of Sweden has made a bid, has agreed to sell the drop forging business previously carried on by Platts Forgings for £430,000.

The buyer is Mabey and Johnson, a Berkshire-based private company which specialises in bridge construction and parts supply. Platts Forgings was closed last year.

Ridgway said that in view of the provisions made in the accounts for the year to end-September 1980, the sale will not reduce its net assets.

Bahco recently raised its cash offer from £4.13m to £4.7m, thus securing the recommendation of the board, which previously felt the offer was too low.

Yesterday, two of Ridgway's major shareholders — M and G Group with 9.9 per cent and Imperial Group pension funds with 5.3 per cent — said they were likely to accept the higher bid now that it had the Board's blessing.

Previously, both groups, along with Britannic Assurance, which owns 11 per cent, declined to accept the initial offer, worth 37p a share against the increased terms of 42p. Bahco's latest bid closes on February 27.

Stag claims asset value is materially above 410p

STAG LINE, the Tyneside shipping company, has written to shareholders asking them to ignore any documents they receive from either Hunting Gibson or Turnbull Scott.

At the same time Mr. Nicholas Robinson, the chairman of Stag, claims that the net asset value of Stag shares is "materially higher" than the 410p per share indicated by Turnbull, which emerged as a rival bidder for the company last Thursday.

Mr. Robinson notes that the Turnbull figure is based on the gross market value of Stag's fleet as valued by sale and purchase brokers at October 31 1980. He says his view of the net asset value is based on more recent valuations of the ships.

Turnbull, a small UK shipping company, is offering 400p cash for every share compared with the 355p cash offer made by Hunting on January 14. Last night Stag shares closed 17p higher at 420p. Prior to the first bid they stood at 270p.

Ropner Holdings, which owns 29.9 per cent of the Stag shares, had undertaken to accept the earlier Hunting offer. Hunting said last Friday that it was studying the new bid.

A large proportion of the Stag shares are held by relatives of Mr Robinson. In his letter the chairman says that the Stag board is considering the position and will be writing to shareholders shortly in connection with both offers.

G. M. Firth negotiating considerable expansion

G. M. Firth (Metals), the Bradford-based steel stockholder and merchant, announced yesterday that it is involved in takeover talks with a third party which could lead to a "considerable enlargement of the group's trading operations."

Mr. Michael Butler, a Firth director, said yesterday that the company decided to make this announcement because of the rise in the company's share price. Last night the shares closed 13p higher at 58p which compares with a level of around 32p in early January.

Mr. Butler said that nothing had been finalised but the talks were "well advanced." The group was not moving out of its present sphere of activity, he added.

Firth recently announced a fall of £32,000 to £57,000 in pre-tax profits for the first half of 1980-81, on a turnover substantially lower at £1.48m (£3.12m), largely reflecting the closure of two subsidiaries.

The profit for the whole of 1979-80 amounted to £177,158, split as to steel stockholding and merchanting £141,225, and property development and dealing £35,931. The group showed record profits of £903,544 in 1973-74.

Mr. Gerrard Leadbeater, the chairman, has a 40.72 per cent stake in the ordinary capital. Other large shareholders are M and G Recovery Fund Unit Trust with 9.96 per cent; Bankers Trust International 5.84 per cent; and London Wall Extra Income Growth Trust with 8.13 per cent.

Racal growth in Scotland

Two new companies are being formed as subsidiaries of Racal-MESL as part of Racal Electronics's expansion in Scotland. Together with the group's other Scottish company Racal-MESL Security, their sales are expected to double to over £17m in the next three years.

One of the new subsidiaries, Racal-MESL Microwave, will be based at Newbridge, Edinburgh, and will create some 60 jobs. Over the next 12 months more than £1m, with about £180,000 coming from grants, is to be invested at Newbridge to establish a facility for the manufacture of microwave integrated circuits.

The decision to make these circuits is a direct result of Racal's takeover of Decca last year. The enlarged group has a substantial requirement for the circuits for its electronic-based defence systems and airborne navigation aids. Racal-MESL already a world leader in related microwave technologies, will become a main source of supply of the circuits for the group and other major companies.

The other company being formed, Racal-MESL Radar, will be responsible for radar systems and associated business and will be based at Linlithgow, Midlothian.

M & G TRANSFERS SIDLAW HOLDING

A shareholding of 515,214 shares, nearly 9 per cent, in Sidlaw Industries, the jute, synthetic yarn and North Sea oil services company, has been transferred to the M and G Endowment and Pensions Assurance from the M and G Dividend Fund. The transaction did not need to be disclosed under the Companies Act which exempts unit trusts from disclosure rules.

QUEENS MOAT SELLS OLD SWAN SHARES

Queens Moat Houses has sold 250,000 shares in Old Swan (Harrogate). It will be retaining the remainder of its holding, totalling 124,500 shares, as an investment.

ELECTRONIC RENTALS RATIONALISATION

Electronic Rentals Group is to rationalise the camping side and dispose of the general clothing activities of its subsidiaries, Europleasure and Dudes (UK). This follows an extensive review of their operations.

The amounts involved in this re-organisation, however, are not expected to be material in relation to the group as a whole.

As from March 31, 1981, Europleasure's camping wholesale interests will be transferred to N.R. Components (Todmorden) which already operates profitably in this sector.

Also, it is planned to dispose of Europleasure's clothing wholesale business and the industrial clothing manufacture operation of Dudes, since neither fits the group's longer term strategy.

APPLE COMPUTER'S UK ACQUISITION

The fast growing U.S. personal computer manufacturer Apple Computer which went public at the end of last year, said yesterday it had acquired London-based computer distributor Microsense Computer. The value of the cash deal was not disclosed.

Microsense has been the authorised distributor for Apple personal computers in the UK since July 1979. Since last October, Apple has a manufacturing facility in County Cork, Ireland.

The latest move reflects Apple's efforts to tighten its distribution and marketing network in the face of growing competition in the rapidly expanding personal computer market.

In the North American market, Apple last year terminated its distribution arrangements through five independent distributors and switched to having its products sold through about 750 independent retail outlets.

READY MIXED BUYS SECURITY ALARMS

Ready Mixed Concrete, the construction materials group, is expanding its security alarm division through the purchase of Security Alarms (Northern).

This is the second security alarm purchase by the group since it diversified into that field in December 1979 with the acquisition of an 80 per cent stake in Lander Alarm Company (Scotland) for £1.8m.

RMC is using Lander as a base to expand into the security field in the rest of the UK. Security Alarms is based at Tynemouth, Tyne and Wear, and has branches at Carlisle, Dumfries and Middlesbrough.

MINING NEWS

'Johnnies' heading for another record profit

BY KENNETH MARSTON, MINING EDITOR

SOUTH AFRICA'S Johannesburg Consolidated Investment ("Johnnies") mining and industrial group is heading for another record year.

Earnings for the six months to December 31 have advanced to R53.1m (£29.5m) from R42.1m a year ago when the subsequent total for the full 12 months showed an increase of 40 per cent to a best-ever R72.5m.

On the latest occasion investment income has risen afresh to R38.9m from R23.6m, mainly as a result of the higher dividends received from the gold and platinum interests.

The surplus on realisation of investments has reverted to a more normal level of R3.5m after having been boosted to R12.7m last time by the sale of the Barnato Brothers subsidiary.

Excluding the revenue from investment realisations, the latest half-year profit equals 689 cents (348p) per share. Despite the easier trend in gold prices, "Johnnies" expects that these earnings will be maintained in the second half.

The group has already declared an interim for the current year of 130 cents compared with 100 cents last time and the subsequent final of 375 cents. The company's net asset value at December 31 was R139 (£77.14) per share. "Johnnies" were £26¾ yesterday.

DRILLING REPORT LIFTS STRATA

The mechanical problems at the Woodada 3 well drilled in the Perth Basin of Western Australia have now been overcome and the drilling rig is being moved to the Woodada 4 location according to Strata Oil. Strata has a 26.95 per cent interest in the Woodada gas discovery.

The Woodada 3 well flowed gas and oil-cut drilling fluids following acid stimulation but flow rates have not been measured due to the intermittent nature of the flow, reports Strata.

The company adds that further removal of drilling fluids and stimulation of the well is required before an assessment of the well's potential can be made.

Hughes and Hughes of Texas, the operator, has a 65 per cent interest in the Woodada field while Mincorp holds 1 per cent.

The UK-registered Hampton Trust is involved in negotiations to acquire a 3.5 per cent interest. *Following the latest report* shares of Strata jumped 30p to 208p.

Record profit at St. Joe

RECORD SALES and profits for 1980 are reported by St. Joe Minerals, the major U.S. producer of lead, and Mr. John C. Duncan, chairman, expects further gains this year. The results reflect the success of St. Joe's diversification into energy and precious metals, he said.

Net income for the year was 51 per cent ahead at $117.08m (£50m) or $2.60 a share, on sales 11 per cent higher at $1.28bn.

Sales of coal produced by the A. T. Massey subsidiary, the second largest coal exporter in the U.S., increased by 13 per cent, with exports 25 per cent higher. Profits from oil and gas were 86 per cent up as a result of increased volumes and higher prices.

Falling volumes and prices hit the domestic metals operations, which include lead, zinc and iron ore, and profits dipped 32 per cent.

The international minerals group achieved strong sales and profits, principally as a result of the sale of 93,000 ounces of gold from the El Indio mine which *is under construction* in Chile.

Mr. Duncan said that while earnings for the first quarter of this year would be below last year's level, full-year results would be boosted by oil production from the North Sea, the *start of regular production of* gold, silver and copper at El Indio and the formation of a joint venture in coal with Shell.

Big inland oil find in Australia

THE *Strzelecki No. 4* well drilled in the South Australian sector of the Cooper Basin has flowed oil at a rate of 3,250 barrels a day—the highest oil flow recorded from an onshore well in Australia—according to Santos, which has a 35 per cent interest in Strzelecki 4.

Other holdings in the well are Delhi, operator, 21 per cent, Vamgas, 7 per cent, Crusader, 30 per cent, and South Australia Oil and Gas, 7 per cent.

The previous record, 2,400 barrels a day, was held by the Strzelecki 3 well, drilled by the same group.

The record flow at Strzelecki 4 followed a drill stem test of the interval 5,520 to 5,566 ft in the lower Jurassic Hutton sandstone formation. The well previously flowed at a rate of 200 barrels of oil a day from the interval 4,673 to 4,688 ft. Target depth is 5,890 ft.

Govt. approval for Ashton

THE AUSTRALIAN Government has granted "naturalising" status to Ashton Mining, which has a 38.2 per cent interest in the Ashton diamond joint-venture in Western Australia. This removes the last official restriction to development of the prospect.

To obtain its status, Ashton Mining has given an undertaking that the Australian interest in the company will be raised to 51 per cent "over a reasonable period of time."

The two non-Australian shareholders in Ashton Mining, Malaysia Mining Corporation with 50.14 per cent and the UK-registered Tanks Consolidated with 10.2 per cent, failed to persuade the authorities that the company should be classified as naturalising despite the size of their stakes. Both companies have already sold their direct stakes in the consortium.

Partners in the Ashton joint venture are CRA, the local offshoot of Rio Tinto Zinc, with 56.8 per cent, Ashton Mining with 38.2 per cent and Northern Mining of Australia with 5 per cent. CRA is already classified as naturalising, so that the change of status for Ashton Mining means that the Australian interest in the consortium now amounts to 52.5 per cent.

TIN OUTPUTS

Tin concentrate production last month of Gopeng was maintained at 125½ tonnes, but the total for the first four months of the current financial year lags at 514½ tonnes compared with 575½ tonnes in the same period of 1979-80.

As already reported, the Pengkalen dredge sank on January 9 and recovery operations are being investigated.

	Jan. tonnes	Dec. tonnes	Nov. tonnes
Gopeng	125½	127	127¾
Tanjong	16½	18	5½
Idris	5½	6	1¼
Pengkalen	—	7¼	8½

SUCCESS FOR BOND ISSUE

The recent A$46m (£23m) rights issue by Australia's Bond Corporation has been successfully completed, with the underwriters taking just 2.3 per cent of the 15.42m shares on offer.

Mr. Alan Bond and his family subscribed in full in respect of their 52.66 per cent holding.

The new shares carried a detachable option to apply for a further share at A$5 at any time up to December 31, 1982.

FITCH LOVELL/ JOSEPH STOCKS

The offer by Fitch Lovell for Joseph Stocks and Sons (Holdings) has been accepted in respect of 2,261,555 shares (90.5 per cent) and has been declared unconditional and remains open. Fitch Lovell now owns 97.1 per cent.

BURNETT AND HALLAMSHIRE

UK Petroleum Products, a subsidiary of Burnett and Hallamshire Holdings, has purchased Clift Oil, of Maidstone, Kent.

Clift is a Gulf branded distributor of domestic, industrial and automotive fuels, and the acquisition marks Burnett's oil division's first entry in the South East of England.

Ley's in red at start of year

CURRENTLY THE majority of the employees at Ley's Foundries and Engineering are working short time, and owing to the low demand at the start of 1980-81, losses are being incurred, Mr. Francis Ley, chairman, tells shareholders in his annual review.

As reported on January 10, this manufacturer of malleable and grey iron castings, and mechanical handling equipment, turned in pre-tax profits of £1.18m for the September 30, 1980 compared with losses of £180,047.

After tax, however, and extraordinary debits of £2.32m relating to the disposal of interest in Ley's George Fischer (Lincoln), there was an attributable loss of £1.35m (£524,509 profit). And the dividend is cut from 4.3p to 2p.

Mr. Ley says there was an overall loss on the disposal of the Lincoln branch, but the cash received considerably improved the group's liquidity position.

Although the existing plant is not currently being utilised at a *normal* level, he says "it is important to continue with a programme of capital expenditure to improve productivity as the markets which we supply become increasingly more competitive."

The directors are seeking approval to increase their fees from £1,000 to a maximum of £4,000.

The chairman is resigning after the annual meeting and *will be succeeded by Mr. Ian F. Ley.*

Shareholders' funds are shown as £16.91m (£18.51m), bank and cash balances £566,000 (£212,320), and bank overdrafts of £1m have been eliminated.

Meeting, Derby, March 11, at noon.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purposes of considering dividends. Official indications are not available as to whether dividends are interims or finals.

TODAY

Interims—Crouch Group, Guinness Peat, Syltone.

Finals—City Offices, Crescent Japan Investment Trust, Crest Nicholson, Ladies Pride Outerwear, Donald Macpherson, Plastic Construction.

FUTURE DATES

Interims:—

Meat Trade Suppliers	Feb 17
Reliance Knitwear	Feb. 17
Watshams	Feb. 13

Finals:—

Abbey Panels Investments	Feb 20
Drake and Scull	Feb 16
First Scottish American Trust	Feb 17
Hoover	Feb 19
International Investment Trust	Feb. 25
Marchwiel	Feb. 19
Newbold and Burton	Feb. 19
Updown Investment	Feb. 18

Pre-tax revenue rises at two Murray trusts

Two investment trusts managed by Murray Johnstone Ltd. have reported advances in pre-tax revenue.

Murray Western Investment Trust lifted its total for 1980 from £2.64m to £3.12m before tax of £1.23m (£1.13m). A net final dividend from this trust of 1.8p takes its payment for the year to 2.3p (2.1p). In addition an interim of 0.6p (0.5p) has been declared for the current year.

Holders of Murray Western's B ordinary are to receive a scrip in B ordinary equivalent to the final and the interim but excluding related tax credit.

Stated earnings per share for the year were 2.58p (2.17p) or 2.31p (2.11p) assuming full conversion of B shares. Net asset value at December 31 for ordinary and B ordinary was up from 77.1p to 105.3p.

Murray Caledonian Investment Trust shows revenue for the half year to the end of December at £964,931 (£810,868) before tax of £374,244, against £259,426.

Here, stated half year earnings per share are estimated at 2.35p (1.81p) and halftime net asset value was 91.1p (74.2p). An interim dividend of 1p (0.5p) has already been paid.

Yorkgreen sets up oil and gas subsidiary

Yorkgreen Investments, the lighting and building products company which owns 12.1 per cent of the Talbex group, yesterday announced the formation of a new subsidiary—Yorkgreen Oil and Gas.

The new offshoot will invest $250,000 to participate in a 25-well oil and gas programme in Texas, Louisiana and Arkansas, which will be run by Sigma Resources and Marshall Exploration, two U.S. exploration companies.

Yorkgreen has agreed to invest *an initial £30,000 of the total* required sum and hopes to develop a further interest in North American oil and gas.

Capitalised at around £830,000, Yorkgreen made pre-tax profits for the year to April, 1980, of £120,000. The board has decided to extend the group's annual financial accounting period from April, 1981, to October, 1981, to facilitate stock planning. Interim figures will be reported in March.

EUROPEAN OPTIONS EXCHANGE

Series		April Vol.	April Last	July Vol.	July Last	Oct. Vol.	Oct. Last	Stock
ABN C	F.280	18	11B	—	—	—	—	F.283
ABN C	F.300	15	3	6	5	1	7	"
ABN C	F.320	—	—	5	2	—	—	"
AKZO C	F.15	3	3	42	3.80	—	—	F.17.40
AKZO C	F.17.50	33	1.10	48	1.80	—	—	"
AKZO C	F.20	—	—	10	1	—	—	"
AKZO P	F.15	—	—	50	0.40	—	—	"
AKZO P	F.17.50	1	0.80	1	1.20	—	—	"
AMRO C	F.55	28	3.50B	—	—	2	4.50	F.56.90
AMRO C	F.60	37	1.20	—	—	—	—	"
HEIN C	F.50	15	9.70B	—	—	—	—	F.59.80
HEIN C	F.55	59	5.70	—	—	—	—	"
HEIN C	F.60	61	2.10	5	3.70	2	4.50	"
HEIN C	F.65	2	0.50	—	—	—	—	"
HEIN P	F.55	27	0.80	2	1.80	—	—	"
HEIN P	F.60	3	2.50	—	—	—	—	"
HEIN P	F.65	8	6	—	—	—	—	"
HOOG C	F.15	83	3.50 B	74	3.80 B	32	4	F.18.40
HOOG C	F.17.50	33	1.70	104	2.30	—	—	"
IBM C	$70	24	1⅛	—	—	—	—	$64 7/16
IBM C	$60	—	—	3	1⅝	—	—	"
IBM P	$65	—	—	4	3¼	—	—	"
KLM C	F.60	26	9.50	—	—	—	—	F.68
KLM C	F.65	5	6 B	—	—	—	—	"
KLM C	F.70	105	3.20 A	13	4.80	10	6.80	"
KLM C	F.80	37	1	—	—	—	—	"
KLM P	F.65	14	3	1	4 A	—	—	"
KLM P	F.70	11	6	—	—	—	—	"
NATN C	F.115	5	11.50	—	—	—	—	F.124.80
NATN C	F.120	4	7.50	—	—	—	—	"
NATN C	F.125	10	4	10	6.30	1	7.80	"
NATN P	F.120	—	—	1	0.80	—	—	"
PHIL C	F.15	43	2.80B	222	3.30	5	3.50B	F.17.60
PHIL C	F.17.50	122	0.90	271	1.60	144	2.20	"
PHIL C	F.20	40	0.30	471	0.70	—	—	"
PHIL P	F.17.50	8	0.70A	133	1	—	—	"
POLA C	$25	2	2⅜	—	—	—	—	$25½
OLIE C	F.180	3	34	—	—	—	—	F.210.40
OLIE C	F.200	64	15.50	10	20.50B	10	22	"
OLIE C	F.220	81	5.30	6	8.40 B	8	13	"
OLIE C	F.240	86	1B	143	4	—	—	"
OLIE P	F.190	17	1.40	—	—	—	—	"
OLIE P	F.200	18	4	—	—	1	13	"
ATT C	$50	38	3	—	—	—	—	"
UNIL C	F.130	7	5B	2	7	—	—	F.138.30
XERO C	$50	2	9½	—	—	—	—	—
		Feb.		May		Aug.		
BOEI C	$35	1	2½	6	5	—	—	$37¼
BOEI C	$40	—	—	19	2⅝	1	4	"
BOEI C	$45	—	—	3	1	—	—	"
BOEI P	$35	—	—	17	1¼	—	—	"
BOEI P	$40	—	—	16	3½	10	4⅜	"
OCCI C	$35	—	—	3	1⅜	—	—	$31 1/16
SIEM C	DM.260	—	—	5	4.50	—	—	DM250.20
SLUM C	$100	2	8	—	—	—	—	$106 7/8
SLUM C	$110	—	—	3	7⅞	—	—	"
SLUM C	$120	—	—	1	4½	1	8	"
SLUM C	$130	—	—	3	1⅞	—	—	"

TOTAL VOLUME IN CONTRACTS 5122

A=Asked B=Bid C=Call P=Put

Texas airline bids for control of Continental

BY IAN HARGREAVES IN NEW YORK

TEXAS INTERNATIONAL Airlines yesterday launched a bid to take control of Continental Air Lines, which is itself pursuing a merger of equals with Western Airlines.

Texas, a subsidiary of Texas Air Corporation, has a reputation as one of the bolder takeover strategists of the industry after unsuccessful runs at both National Airlines and Transworld Corporation in the past three years.

Initially, Texas has declared terms for a spoiling action, designed to frustrate the Continental-Western merger, which only received preliminary approval from a Civil Aeronautics Board judge on Friday.

The Houston company said it had bought 800,500 Continental shares in the market on Friday, when Continental shares spurted by almost $1.50 to $11.75. As a result of this and earlier purchases, Texas now owns 1.45m Continental shares, or 9.5 per cent of the company.

Yesterday, Texas said it plans to make a tender offer — probably this week—for at least 4m shares of Continental at $13 per share, with an option to purchase an additional 2m shares if tendered.

Continental has about 15.3m shares outstanding, and if all parts of the deal go through Texas would own almost half of the company's common stock.

The Texas move appears to have surprised both Western and Continental. Although Texas had made a submission to the CAB about the Continental Western merger it had not objected to the plan.

Its strategy seems to have been to wait for confirmation that the CAB is prepared to countenance a major consolidation in the industry

Friday's ruling by the CAB judge, although not final, would normally be ratified by the full board, which has to issue a ruling by March 31. President Ronald Reagan then has final power of veto.

The Western-Continental deal involves two second-rank carriers operating in the western part of the U.S. and is seen as a test case of the CAB's willingness to relax significantly restrictions on airline merger in the wake of the deregulation of airline prices and operating routes. The CAB turned down an initial proposal to join Continental and Western little more than a year ago.

Record at Canadian Pacific

By Robert Gibbens in Montreal

CANADIAN PACIFIC LTD, the transporation, energy, mining and industrial products group, earned a record C$582m (US$493m) or C$8.10 a share in 1980, against C$508m or C$7.06 a share in 1979.

The main reasons for the gains were higher earnings from the 70 per cent-owned non-rail holding company, C.P. Enterprises, plus better transportation and bulk shipping income.

C.P. Enterprises in 1980 earned C$490m against C$420m or C$3.36 a share in 1979. The increase was mainly due to strong oil and gas operations and increase in investment income.

Fourth quarter earnings for the parent, Canadian Pacific Ltd, were C$158m against C$140m.

Enthusiasm for Dome Canada issue

By Paul Betts in New York

EXCITEMENT IS GROWING for the C$400m (US$336m) public offering next month by Dome Canada, a new subsidiary of Dome Petroleum, the Calgary-based oil company, which will be the largest initial stock offering made in Canada.

Dome Canada has already filed a preliminary prospectus for the sale of 55 per cent of Dome Canada with the Canadian Securities Commission, although it has not disclosed details of the proposed issue.

But interest and demand for the new issue is mounting in Canada, while Wall Street is considering ways to enable U.S. and foreign investors to participate indirectly in the stock sale.

The offering is restricted to Canadian residents, financial institutions and companies, because Dome is seeking to qualify the new offshoot for new Canadian Government privileges on advanced Canadian-owned companies.

The setting up of Dome Canada is primarily designed to make it eligible, as a Canadian-owned company, for write-offs covering 80 per cent of exploration expenses in frontier areas.

Concern at political level is being expressed at the $333.2m U.S. bid for Davy Corporation. HAZEL DUFFY and JOHN MOORE report

Enserch wants Davy's pool of talent

THE BOARD of Davy Corporation did not wait for Enserch of Dallas to disclose its $333.2m bid for the UK process plant contractor before making plain its determined opposition: Mr. Bill McCord, chairman and president of Enserch, was effectively given the brush-off some weeks earlier when he visited London.

Three days before Christmas Davy delivered its rejection of the proposed offer in the terse terms which have since characterised its few public references to Enserch, leading to the announcement by Sir John Buckley, Davy chairman on January 20 that Davy was taking Enserch to court in the U.S. in order to "protect our shareholders' interests." The formal offer document is still awaited.

Enserch clearly suffers from the problem that it is little known in the UK, while even in the U.S. it is probably still best known as the Lone Star Gas Company, as it was until it changed its name in 1975.

A year later, Enserch acquired Ebasco, which has become the engineering and construction services division in the group. Mr. McCord is enthusiastic about the long-term future of the division which is "not related to depleting energy sources," as are the mainstream businesses of Enserch—natural gas utilities and oil and gas exploration. Both are described as "mature businesses, although the second still has substantial growth potential."

He sees Ebasco's and Davy's activities as "uniquely complementary." Ebasco is engaged primarily in the design and engineering of power stations and Davy in process engineering and steel plants.

However, Ebasco also wants to broaden its range in the fast-moving world of energy technology.

Ebasco evolved out of General Electric's power generating division in the early years of this century and was spun off as a separate entity in 1925, since when it has passed through a number of hands before being acquired by Enserch in 1977.

Its traditional strength is in the building of power stations of all kinds. Coal, gas and oil fired, and nuclear for a variety of government and utility customers. About half its workforce is involved in nuclear engineering, with the rest divided between fossil fuel work, and Ebasco's other activities, including advanced technology development and process engineering.

In the last category, Ebasco is particularly interested in developing processes to broaden the use of coal, both as a fuel and a feedstock. According to Mr. Wallace, "this is where we would tie in with Davy."

But in other respects he does not see much overlap between the two companies. While he speaks with half an eye on the possible anti-trust pitfalls of the deal, he insists that in the past Ebasco and Davy have seldom competed directly on the world market.

Of Ebasco's main business lines, fossil fuel power stations are the strongest at the moment. Nuclear power has question marks hanging over it as a result of the Three Mile Island accident—Ebasco is involved in the clean-up there—but Mr. Wallace hopes that the new Reagan Administration will be able to swing public opinion back towards nuclear power.

Geographically, Ebasco does about 80 per cent of its business in the U.S., though it is represented in 40 countries and is keen to expand overseas. To date, it has put up power stations or been involved in projects in many Far Eastern countries, Mexico, Brazil, Turkey, Spain, Yugoslavia and in Italy, where it built the country's first nuclear power station. Clearly, the Davy link would add to Ebasco's overseas presence.

Enserch argues that a Davy-Ebasco marriage would also create a company of a size that could compete effectively with the giants of the power and process engineering industry. With revenues of $300m a year and a 7,000 workforce, Ebasco believes that it may not yet be perceived by potential customers as being big enough to handle the largest projects.

Enserch's $333.2m bid for Davy Corporation has aroused strong feelings in certain quarters in the UK which believe that Davy should remain in British hands. The results of an examination of the proposed merger is due to be forwarded to Mr. John Biffen, the Trade Secretary, later this week, who will decide whether to refer it to the Monopolies and Mergers Commission. Enserch, meanwhile, has been prevented from issuing its formal offer document by legal action initiated by Davy in the U.S.

Mr. McCord lists the Davy capability in process engineering as a major plus point in favour of the proposal. "Davy would bring a much larger capability of work execution and a large professional manpower pool. It is not unusual for contracting firms to find themselves saturated with work, particularly as the size of projects gets bigger, and this could prevent them from tendering for new work. He admits that Ebasco would be "somewhat limited in certain areas without these larger-scale additional talents."

For Davy, he believes that Enserch can give it a very considerable financial assets base — Davy, he says, has to trim costs when its services are less in demand because it has not got the financial backing to tide it over, and this prevents it from expanding as fast as it would like when demand is more buoyant.

The plan is that Davy would continue to operate as a British-based international group. As Davy and Ebasco do not operate in overlapping areas, there would be no need to define geographical spheres of activity as do some of the U.S. contractors which have offices in London. "The way Davy would approach tenders would be no different from now except that we think we could make larger opportunities available to Davy through association with us," says Mr. McCord.

He says he understands the concern being expressed at the political level that U.S. ownership of Davy might mean less work for British manufacturers of process plant. But he believes the fears are "more imagined than real," adding that Davy's ties with its suppliers, sub-contractors and British Government agencies are part of the attractions of the group. There could well be more opportunities for the British manufacturers which are not as well known in the U.S. to benefit from access to Ebasco projects.

Given the bitterness that Enserch's proposed offer has already aroused in the Davy camp, it would not be surprising if there were senior management changes should the deal go through—changes which Mr. McCord believes can be absorbed without too much of a problem.

The possibility of a reference to the Monopolies Commission could dampen Mr. McCord's determination to take over Davy. On a recent visit to London he said: "We would not want to pre-judge what our position would be in the event of referral. Our fervent hope is that it can be avoided."

Ogden offers $87m for Buffalo Forge

By Our New York Staff

OGDEN, the New York-based industrial and shipbuilding group, has offered more than $87m for control of Buffalo Forge, an upstate New York specialist manufacturer of pumps and fans.

Ogden has been bidding for Buffalo in competition with the Ampco-Pittsburgh group, which had offered $25 per share or $53.5m in cash for the company.

Ogden's latest offer is complex and carefully structured to try to prevent any last minute breakdown. It involves a straight share swap of one Ogden share for each Buffalo Forge share, a transaction worth a little more than $72m at Ogden's market value at the end of last week.

In addition, Ogden has already paid $32.75 a share for 425,000 Buffalo shares held in the company's own treasury and will pay a similar amount for an additional 143,400 shares at a later date.

The first stage of this sale of treasury shares means that Ogden already controls 16.6 per cent of Buffalo Forge and insiders at Buffalo, who support the Ogden bid, control a further 7 per cent.

Fourth quarter earnings surge at B. F. Goodrich

BY OUR FINANCIAL STAFF

A SHARP RISE in earnings in the final quarter has taken B. F. Goodrich, the major tyre manufacturer, comfortably above Wall Street's forecasts for the year.

Net earnings for 1980 slipped from $82.6m, or $4.89 a share, to $61.7m, or $3.57 a share, but this compares with recent forecasts of only $3 a share. Sales for the year edged forward from $3bn to $3.1bn.

The Board said the upturn in the final quarter—from $14.8m, or 87 cents a share, to $22.7m, or $1.30 a share — reflected adjustments of about $4.2m in previous estimates. The quarter took in $3.4m from the sale of butadiene operations.

The fourth quarter's result puts teeth in predictions that this year will bring a gain of around 50 per cent in earnings at Goodrich, which now takes more than half its profit from sales of chemicals, plastics, and non-tyre rubber items.

In the early part of last year Goodrich's earnings were badly hit by a cost price squeeze

Directors leave Seatrain

BY OUR NEW YORK STAFF

FOUR DIRECTORS, including the company president, have resigned from Seatrain Lines, the New York shipping company which is rapidly being pared to nothing.

Mr. Stephen Russell, the president, is the most prominent of the departing directors. He is leaving to head a former Seatrain subsidiary based in the Netherlands Antilles, Seatrain Gulf Services.

This is one of several units which Seatrain has been forced to sell in recent months, as its heavy debt burden has piled up interest charges and produced an estimated $150m loss in the second fiscal quarter ended in December.

Seatrain's major surviving assets include a small oil refining subsidiary and some oil tankers.

Seatrain has previously said that it may have to file for bankruptcy if it cannot reach agreement with its creditors. Its lead bank is Chase Manhattan of New York, to which it owes about $160m

Ford bond raised to $150m

By Francis Ghiles

THE $125m 16 per cent bond to 1984 for Ford Credit Overseas was increased yesterday by the lead manager, Goldman Sachs, to $150m. It was the second time that the bond, which started initially at $100m, had been increased in less than a week.

This success results both from the high coupon and the short maturity offered to investors and stands in sharp contrast to the two dollar issues launched last Thursday and pulled the following day because of a poor reception. The Ford issue was being quoted in pre-market trading yesterday at a discount of ⅛-⅜ from its pricing at par.

Of the four fixed interest rate dollar bonds launched last week, the 14 per cent Tribune Company bond to 1986 appears to be meeting with the greatest demand: it is quoted in pre-market trading at a discount of 1½-⅞ points from its price of par.

Despite the slight fall in Eurodollar interest rates yesterday, most traders described investor buying interest as low. Small amounts of new cash are being committed to the market and much of the activity appears to consist in swaps—from lower into higher yielding Eurobonds or from Euro into Yankee bonds. Prices of outstanding issues fell by ½ of a point.

The fall in U.S. money supply announced on Friday night might in normal times have been expected to trigger some fresh buying of Eurobonds. But investors still err on the side of caution ahead of clearer indications from the Reagan Administration on how it plans to reduce the Federal budget deficit.

In Germany, Deutsche Mark foreigns bonds slipped by ¾ points. Yields on outstanding paper are now approaching the 10 per cent level, which many dealers hope will be a good barrier against further selling. Prices of Swiss franc bonds were about unchanged.

Five private placements are being arranged. Svenska Handelsbanken is arranging a SwFr 35m four-year placement with a coupon of 6¼ per cent and a price of 99¼ through Nordfinaz. Engelhard has completed a SwFr 80m six-year placement with a coupon of 6 per cent through Bank Leu. ISCOR has arranged a SwFr 30m three-year placement carrying a coupon of 6¼ per cent through UBS, which has also completed a SwFr 80m six-year placement of 4¼ per cent notes for Amada Company.

Dow Banking meanwhile is arranging a SwFr 68m placement of 6½ per cent notes to 1984 at 99½ for Standard Bank Import and Export Finance Company, which is guaranteed by the Standard Bank of South Africa.

The convertible for Lafarge Coppee, launched in the French franc market last week and quoted at 93½-94½ last Friday, moved up a little yesterday to close at 94½-96½. This FFr 190m 10-year issue carries a split coupon of 11½/½ per cent.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which will be published next on Thursday, February 12. Closing prices on February 9

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amoco 13¾ 88	75	96⅞	97⅜	+0¼	−0¼	13.97
CECA 11½ 88	100	91¼	91¾	−0⅛	−0⅝	13.40
CNE 12½ 91	100	94½	95	+0⅛	−0⅝	13.74
Citicorp O/S Fin. 10 86	300	86⅜	86⅞	−0⅛	−1⅛	13.62
Citicorp O/S Fin. 12 87	200	92⅜	92⅞	−0⅛	−1⅛	13.72
Con. Illinois O/S 9¾ 86	150	84¼	84¾	−0⅛	−1⅛	13.98
Denmark 11¼ 90	100	88¼	88¾	−0¼	−1¼	14.03
Dupont Canada 13½ 91	65	96½	97	+0⅛	−1⅜	14.12
EEC 11 95 (May)	75	83⅜	83⅞	−0⅛	−1⅛	13.84
EEC 11 95 (August)	70	82	82½	−0⅛	−1⅛	13.88
EIB 13¾ 90	100	99⅜	99⅞	+0⅛	−0⅛	13.79
Eksportfinans 9½ 87	75	83½	84	−0⅛	−0⅞	13.39
Elec. de France 10 88	125	83¾	84¼	−0⅛	−1½	13.52
Elec. de France 13 88	125	97⅜	97⅞	−0⅛	−1	13.54
Export Dv. Cpn. 12¾ 87	100	96	96½	−0⅛	−1⅛	13.64
Export Dv. Cpn. 9½ 86	150	84¾	85¼	−0½	−1½	13.89
Fin. Exp. Credit 10½ 85	50	88¼	88¾	−0⅛	−0⅛	14.18
Finland, Rep. of 9½ 86	100	83	83½	−0⅛	−0⅞	14.33
Ford Credit O/S 14⅝ 83	150	95¾	96¼	+0⅛	−0⅛	16.43
Ford O/S Fin. 12⅜ 85	250	88⅞	89⅜	+0⅛	−1	16.29
Gaz de France 13½ 86	80	99⅛	99⅝	−0⅛	−1⅛	13.67
GMAC O/S Fin. 12 87	100	90⅛	90⅝	−0⅛	−1⅜	14.29
GMAC O/S Fin. 12⅝ 88	100	93⅝	94⅛	−0⅛	−1	14.32
Gen. Mtrs. O/S 11⅛ 87	100	90¼	90¾	−0⅛	−1⅛	13.99
GTE Fin. 13¾ 88 (WW)	50	98⅞	99⅜	+0⅛	0	13.89
Hudson's Bay 11½ 90	75	86⅜	86⅞	−0⅛	−1⅜	14.13
IBM Canada 10½ 85	50	95¼	95¾	−0⅛	−1⅛	11.83
IBM Wld. Trade 12½ 88	200	96½	97	−0⅛	−1⅛	13.24
Newfoundland 13½ 90	60	95½	96¼	+0⅛	−0½	14.32
Nova Scotia 10⅜ 90	50	84½	84⅝	−0⅛	−1⅞	13.77
OKB 10 85	50	88⅜	89⅛	0	−1	13.44
Pemex 11½ 88	100	84⅝	85⅛	−0⅛	−0⅞	14.97
Quebec Hydro 11½ 92	100	85⅜	85⅞	+0⅛	−0⅞	14.13
Queb. Hy. 13 91 (WW)	100	93⅝	94⅛	+0⅛	+0½	14.18
Rovlease 11⅛ 85	50	92¼	92¾	+0⅛	−0⅝	13.69
SNCF 12⅝ 85	50	95	95½	−0⅛	−1⅛	13.54
Sven Handelsbk. 13¾ 88	45	96¼	97¼	—	—	14.41
Sweden 12⅞ 85	150	94⅝	95⅛	−0⅛	−1	13.90
Swed. Ex. Credit 12 83	50	94¾	95¼	+0⅛	−0½	14.44
Swed. Ex. Credit 13 86	75	95⅞	96⅜	+0⅛	−0⅛	14.13
Unilever NV 9¾ 90	100	81	81½	0	−1⅛	13.33
World Bank 9¾ 85	200	87½	88¼	+0⅛	−0⅞	13.68
World Bank 10⅜ 87	300	86⅝	87⅛	0	−0⅝	13.41

Average price changes... On day −0⅛ on week −1

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev. Bk. 8¾ 90	100	90½	91½	−0⅛	−1⅛	9.84
Australia 8⅛ 90	250	93	93¾	−0½	−3⅛	9.23
Austria, Rep. of 8¾ 92	150	89⅝	90⅛	−0⅛	−2⅛	9.73
BFCE 8⅛ 85	100	88⅝	89⅛	−0⅝	−3	9.57
CECA 7⅞ 92	150	88¾	89½	−0⅛	−1⅞	9.45
Cii-Honeywell 8¾ 90	125	90	91	−1¼	−2⅞	9.95
Denmark 8¾ 92	100	92½	93½	−0⅝	−2	9.29
EIB 8½ 90	200	92¼	93⅛	−2⅛	−3⅛	9.88
ESCOM 9⅞ 87	100	96⅞	96⅞	−0⅛	−0⅝	9.97
Iberuero SA 9 90	100	96⅞	97½	+0⅛	−0½	9.48
Ind. Bk. Finland 8½ 90	50	90⅞	91⅞	+0½	−2⅝	10.04
Japan Air Lines 8½ 87	100	92⅜	92⅞	−0½	−2¼	9.67
Japan Dev. Bank 7⅝ 87	100	90½	91½	−0⅝	−0½	9.61
Kobe, City of 8 90	100	89¾	90¼	−0⅝	−3⅞	9.67
Midland Int. Fin. 8½ 90	180	91⅞	92⅛	−0⅝	−2⅝	9.85
Norway 7½ 85	250	93½	94½	0	−0⅝	9.39
Nuclebras 9¾ 88	100	88⅝	89⅛	−1⅛	−1⅛	11.98
OKB 8¾ 92	150	88¾	89¼	+0½	−2⅞	9.93
Oslo, City of 8¾ 90	80	97	97⅝	0	−2⅛	9.19
Venezuela, R. of 9¾ 90	150	95⅞	96⅛	−0⅛	−0⅞	10.45
World Bank 8 90	700	89	90	−0⅝	−1⅛	9.73
World Bank 10 86	150	102	103	−1	−1⅛	9.35
World Bank 10 90	200	102⅛	103⅛	−1	−2⅛	9.44

Average price changes... On day −0⅝ on week −2½

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Austria, Rep. of 5½ 90	100	†96	97	+0⅛	0	5.86
Bayer Int. Fin. 5¼ 92	100	95⅞	96	+0½	−0⅝	5.74
Bergen, City of 6 90	60	99⅞	100	−0¼	−0⅛	6.01
Buhrm'n-Tetterode 7 90	40	104	104⅛	−0⅛	−0⅛	6.39
Copenhagen Tele. 5¾ 90	60	93½	93¾	+0⅛	+0¼	6.66
Denmark 5¾ 90	80	†94⅞	95	0	−0⅛	6.53
EIB 4½ 94	100	83	83¼	−0⅛	−1⅛	6.26
Elet de France 5⅞ 90	100	96⅝	96⅞	+0¼	−1	5.75
Eurofima 5⅛ 92	80	†101	102	−0⅛	−0⅛	5.57
F. G. H. Hypo. Bk 6 90	50	†98½	99	+0⅛	+0⅛	6.17
Finland, Rep. of 5¾ 90	80	93⅞	94	+1⅛	+0⅝	6.50
GZB 4¾ 89	100	85⅛	85⅛	−0⅛	−1	6.52
Int.-Amer. Dev. 7 90	80	107¾	103	+0¼	+0¼	6.57
Japan Dev. Bank 5¾ 90	100	97½	97⅝	−0⅛	−1⅛	6.08
Jutland Tele. 5½ 90	50	†93	93½	−0⅛	0	6.51
Mt. Blanc Tunnel 5½ 90	60	95¼	95¾	+0⅛	−0⅝	6.13
Newag 5⅝ 90	80	95¼	96	0	−2⅛	6.34
Nippon Tel. & T. 4⅞ 88	100	89⅝	90⅛	−0⅛	−1½	5.79
Norges Komm. 4⅞ 91	100	†85	85½	+0⅛	−0½	6.31
OKB 4¾ 91	100	85⅛	85½	+0⅞	+1⅛	6.29
OKB 6 90	100	98¼	98¾	−0⅛	−1⅛	6.20
Oslo, City of 4⅞ 91	100	84⅞	84½	−0⅛	+1	6.44
Oslo, City of 5⅞ 90	80	97⅝	98⅛	+0⅛	−0⅛	6.15
Philips Lamps 5¾ 92	100	92¾	93	+0⅛	−0⅛	6.13
Sekisui Pre. Hms. 6 90	80	97	97⅜	−0⅛	−1½	6.41
Shikoku El. Pwr. 4½ 89	100	95	95¼	−0⅞	−0⅛	5.48
Trade Dev. Fin. 6⅞ 90	50	93⅞	93⅞	−0⅛	−0⅛	7.03
Voest-Alpine 5¾ 90	80	†95	96	+0⅛	−1⅞	6.38

Average price changes... On day 0 on week −0⅛

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 5.6 83	30	92¾	93¼	+0⅞	+0⅛	8.72
Australia 6⅞ 88	20	88⅜	89⅜	+0⅛	+0¼	8.60
EIB 7⅛ 89	12	93½	94¼	0	+0¼	8.74
Finland 5.6 83	10	91⅛	92⅛	+0⅛	−0⅛	9.06
Finland 6.8 88	10	87⅜	88⅞	+0⅛	+0⅛	9.18
Finland, Rep. of 8⅛ 87	15	96⅝	97⅝	−0⅛	−0⅛	9.03

Average price changes... On day +0⅛ on week +0⅛

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Bell Canada 10⅜ 86 CS	60	90⅞	91⅞	0	0	12.99
CIBC 13½ 85 CS	50	†98	98⅝	0	−0½	13.97
CIBC 11½ 85 CS	60	†92¼	93	0	−0⅝	13.77
Federal Dev. 11½ 90 CS	60	†85½	86½	−0⅛	+0⅝	14.25
Fst. Can. Inv. 10 84 CS	60	†89	89⅝	−0⅛	−0½	14.24
R. Bk. Canada 10 86 CS	40	89⅞	90⅞	0	−0⅛	12.56
Tordom Cpn. 13½ 85 CS	30	†97⅝	98½	0	−0⅛	14.06
M. Bk. Dnmk. 9 91 EUA	25	88⅞	91⅛	−1½	−1⅛	10.52
SOFTE 8¾ 89 EUA	40	86¼	88	−0⅛	−0⅛	10.63
U. Bk. Nrwy. 9½ 90 EUA	18	98	99	−0⅛	−0½	9.75
Bk. Mees & H. 10 85 Fl	75	99½	100	−0⅛	−0½	10.04
F. G. Hypo 9¾ 87 Fl	60	93¾	94⅝	−0⅛	0	11.06
Heineken NV 10 87 Fl	100	95⅝	96	−0⅞	−1⅛	10.95
Nat. Inv. Bk. 10 87 Fl	75	95⅞	96⅝	−1⅛	−2	11.00
Nat. Neder. 9½ 87 Fl	60	94	94½	−0¼	−0⅛	10.75
Ned. Midd. Bk. 10 85 Fl	75	99¼	99⅞	−0⅛	−0⅞	10.07
Aero Paris 13½ 87 FFr	150	95⅞	96⅞	0	−0⅛	13.95
Charb'nages 13¾ 86 FFr	400	99⅛	100½	0	+0⅛	13.95
CECA 14¼ 86 FFr	150	99⅞	100⅞	0	0	14.11
EIB 14½ 88 FFr	300	99¼	100¼	−0⅛	0	14.17
Finland 11 84 FFr	80	91	92	0	−0⅛	14.05
Gaz de France 11 84 FFr	150	92½	93½	0	+0⅛	13.60
La Redoute 14⅛ 85 FFr	125	95⅞	96⅞	−0⅛	−0⅛	15.45
OKB 14 86 FFr	400	99⅝	99⅞	—	—	14.14
Utd. Mex. Sts. 14 85 FFr	150	98⅝	99⅛	−0⅛	−0⅛	14.30
Acona 14 85 £	20	95	95½	0	+1⅛	15.38
Beneficial 14¼ 90 £	20	94⅜	94⅞	−0⅛	+0⅞	15.33
Beneficial 14¾ 90 £	20	94½	95	0	+0⅛	15.31
BNP 13½ 91 £	15	95⅝	96⅜	−0⅛	−0⅛	14.29
CECA 13½ 88 £	20	96⅝	97	0	+0⅝	14.21
Citicorp O/S 13½ 90 £	50	95⅜	96⅛	−0⅛	0	14.37
Fin. for Ind. 14½ 88 £	20	100⅜	101	0	+0⅛	14.34
Fin. for Ind. 13¾ 87 £	20	97¼	97⅞	+0⅛	+0⅛	14.31
Gen. Elec. Co. 12½ 89 £	60	94⅜	94⅞	+0⅛	0	13.65
Peugeot SA 14 90 £	23	94½	95¼	−0⅛	0	15.00
Rothschild 14⅛ 90 £	12	98¾	99¼	+0⅛	+0⅛	14.45
Swed. Ex. Cr. 15⅛ 85 £	20	103⅝	104⅛	−0⅛	+1⅛	13.88
Banobras 8⅛ 90 KD	7	†87⅛	87⅝	0	0	10.44
CCCE 8⅛ 91 KD	10	†82	87½	0	0	11.13
Sonatrach 8¼ 90 KD	12	†88⅛	88⅝	0	0	10.57
Akzo 9¾ 87 LuxFr	500	91½	92½	0	+0⅛	10.97
Euratom 9⅞ 88 LuxFr	500	95⅛	96⅝	−0⅛	−0⅛	10.56
Eurofima 10½ 87 LuxFr	500	98½	99½	−0⅛	0	10.69
EIB 9¾ 88 LuxFr	600	96¼	97¼	+0⅛	0	10.43
Volvo 9⅞ 87 LuxFr	500	93⅛	94⅛	0	+0⅛	11.12

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Allied Irish Bank 5¼ 87	0¼	98⅝	99⅛	2/7	16⅝	16.81
Bank of Montreal 5¼ 90	0¼	99⅝	100⅛	18/6	19½	19.52
Bank of Tokyo 5⅛ 89	‡0⅛	98⅞	99⅜	25/4	19.31	19.48
BBL Int. 5 86	0⅛	98¼	98¾	20/5	16½	16.75
Bergen Bk. A/S 6 89	‡0¼	98⅞	98⅝	29/2	18.19	18.49
BNP 5½ 88	‡0⅛	99	99½	29/4	18.69	18.89
CNT 5¾ 88	§0⅛	98⅛	98⅝	16/4	13⅛	13.45
Christiania Bk. 5½ 91	‡0⅛	97⅝	98⅛	5/5	17⅝	18.14
Citicorp O/S F. 84	‡0	98⅞	99⅜	29/2	17.56	17.72
C. Itoh 5¾ 87	0⅛	98¾	98⅝	18/3	12⅞	13.07
Co-operative Bk. 6 86	0⅛	97½	98	15/5	15⅛	15.80
Den Norske Credit 6 90	0¼	97⅞	98⅛	5/5	17¾	18.09
Genfinance 5⅛ 87	0⅛	98⅛	98⅝	30/4	15⅛	15.47
Giro und Bank 5¾ 91	0⅛	98⅜	98⅞	23/3	20½	20.79
GZB 5½ 89	‡0⅛	98⅝	99⅛	1/5	17⅝	18.05
Ind. Bank Japan 5¼ 87	0⅛	98⅛	98⅝	15/4	13.31	13.53
Ind. Bank Japan 5⅛ 88	0¼	97⅜	97⅞	9/4	13⅛	13.44
Lloyds Eurofin 8 90 £	0¼	95⅛	95⅝	3/7	14½	15.70
Lloyds Eurofin 5⅛ 92	0¼	98	98½	4/6	17⅛	17.56
LTCB Japan 5⅛ 86	0⅛	100⅜	100⅞	13/6	20.19	20.05
Man. Hanov. O/S 5⅛ 94	‡0⅛	98⅛	98⅝	29/2	18⅛	18.42
Midland Intl. Fin. 5 89	0⅛	99⅞	100⅜	30/6	19.56	19.64
Midland Intl. Fin. 5⅛ 92	0⅛	98⅛	98⅝	5/6	17.19	17.47
Nacional Fin. 6⅛ 86	0⅛	99⅛	99⅝	25/7	17⅞	17.96
Nat. West. 5⅞ 94	§0⅛	99⅜	96⅞	14/4	13⅛	13.71
Nat. West. 5⅞ 92	§0⅛	97⅛	97⅝	23/4	13.69	14.04
Nippon Credit 5⅛ 87	‡0⅛	99⅛	99⅝	6/5	17.44	17.53
Sparebanken 6 87	0⅛	98⅞	99⅜	19/6	19⅝	20.05
Standard Chart. 5⅛ 90	0⅛	98⅝	99	6/3	12.06	12.22
Svenska Hndlsbk. 5 87	0⅛	99⅝	99⅞	15/7	17.81	17.88
Bq. Ex. d'Alg. 4¾ 89 SF	0⅛	†90	90½	18/6	7½	8.31

Average price changes... On day 0 on week 0

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Bow Valley Inv. 8 95	4/81	23.12	103⅞	104⅞	−0⅛	19.63
Canon 6¾ 95	1/81	829	108⅛	109½	−1½	4.86
Credit Suisse 4¾ 93	10/79	1278	101½	103½	−0½	−3.89
Digicon Fin. 8½ 95	10/81	29.5	96½	97½	+0⅛	10.06
Enserch Fin. 9½ 94	7/80	30.25	163½	164½	+0⅛	−2.30
Hanson O/S Fin. 9½ 95	1/81	1.92	103⅞	104⅞	+0⅛	−1.81
Ina Overseas 8¾ 2000	4/81	42	100½	101½	−0⅛	10.66
Inchcape Ltd. 8 95	2/81	4.55	91⅛	92⅛	−0⅛	−0.29
Jaccs 7½ 95	11/80	585	127⅝	128⅝	−1⅛	−4.98
Marion Int. Fin. 9 95	12/80	23.25	94	95½	+0½	60.27
Matsushita El. 7½ 95	11/80	590	102⅝	103⅝	−0½	7.37
MEPC 8⅛ 96	2/81	2.47	101½	102½	+0⅛	8.61
Niigata Eng. 7½ 96	1/81	327	105⅞	106⅞	−2⅛	−3.32
Nissho-Iwai Co. 8 96	10/80	398	94¼	95¼	0	−2.79
Ricoh 6¾ 95	8/80	604	119⅛	120⅛	−0⅛	0.58
Sumitomo M. Ind. 7 95	2/81	181	109½	110½	−0⅛	3.01
Swiss Bk. Cpn. 6⅞ 90	9/80	200	89	91	+0½	15.45
Taylor Woodrow 8⅛ 90	1/81	4.94	95	96	+0⅛	2.72
Transco Int. 8¾ 95	2/81	68	90½	92	−0⅛	22.27
Tricorp 8½ 95	12/80	31.25	91½	93	+0⅛	15.89
Union Bk. Switz. 5 89	2/80	121.4	87	88⅛	+0⅛	−13.82
Fujitsu 5 84 DM	7/79	431.5	143⅞	144⅞	−0⅛	−1.27
Sharp Cpn. 6½ 88 DM	9/80	585	140⅞	141⅞	−0⅛	−2.48
Uny Co. 6½ 85 DM	11/79	867.3	115⅛	116⅛	−0⅛	0.16

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

Preussag lifts earnings as sales move ahead

BY KEVIN DONE IN FRANKFURT

PREUSSAG, the West German energy, metals and transport group, sustained a strong recovery last year and is planning to raise its dividend. The company said yesterday that the dividend for 1980 will exceed the previous year's payment of DM 3.50 per share.

Preussag said that turnover rose in 1980 by nearly 11 per cent to DM 3.47bn ($1.62bn) compared with DM 3.12bn in 1979. Profits were ahead of the DM 52.1m net returned for 1979.

It has been rumoured for several months that the Westdeutsche Landesbank, the biggest single shareholder in Preussag with a holding of about 40 per cent, is seeking a buyer for its interest in the company. Deutsche BP, the subsidiary of British Petroleum, has been linked with the possible acquisition of the West LB stake.

Preussag managed to increase sales in all sectors except coal production and trading, with turnover in the dominant metals activities rising to DM 1.15bn compared with DM 1bn in 1979, an increase of about 14 per cent.

Turnover in crude oil and chemicals rose to DM 619.2m compared with DM 489m, while the building operations increased sales from DM 458m to DM 531m. Preussag boosted turnover in transport to DM 395m compared with DM 361.4m.

Coal production at 2.19m tonnes was slightly up on 1979, but Preussag had to allow its stocks build-up to a higher level as coal sales dropped markedly by 378,000 tonnes to 1.66m tonnes. The group's electricity generation was down by 20 per cent.

The company's generally stronger financial performance is reflected in higher capital expenditure, which is expected to rise to DM 350m this year compared with DM 310m in 1980.

The new investment will be concentrated on the metals, transport and energy sectors. The main metals expenditure will be on the restructuring and modernisation of the lead and zinc foundries, while spending in the transport sector will go on building up the tank-car fleet and tank-farm storage.

Preussag also plans to expand its search for oil onshore in the Federal Republic. Last year its crude oil production fell by 3 per cent to 497,825 tonnes.

Four-month upturn at Perstorp

BY VICTOR KAYFETZ IN STOCKHOLM

PERSTORP, the Swedish-based manufacturer of decorative laminates and other plastic products, reports pre-tax earnings of SKr 44m ($9.6m) for the first four months of the year ending August, 1981, compared with SKr 43m.

Group sales rose 7 per cent to SKr 560m ($122m) with turnover outside Sweden accounting for 73 per cent of the total, against 72 per cent.

Efficiency measures and price rises compensated for lower volume in several areas, says the interim report. However, rapidly worsening economic conditions in important markets "make it difficult" to forecast Perstorp's performance over the next few months.

In addition to continuing investments in the autumn in new chemical plants in Brazil and the UK, Perstorp's expansion drive outside Sweden includes the formation of a Toronto-based sales company to market its squash and racquet ball equipment in North America. Early in 1981 the group established a UK subsidiary, Antiphon, which will market noise-suppression equipment to the European automotive industry.

In the September-December period, sales by Perstorp's biggest division, chemicals, rose by 4 per cent to SKr 259m. One of the smaller divisions, Perstorp Brazil, saw turnover climb by 30 per cent to SKr 69m.

● Nokia, one of the largest private industrial companies in Finland, improved net sales and profits in 1980, writes Lance Keyworth in Helsinki.

Mr. Kari Kairamo, president and chief executive, described the year's operations as "quite good." He added that "despite the predicted recession the prospects for Nokia in 1981 are, generally speaking, good."

The parent company's profits rose from FM 26m to FM 32m ($8m) on a net turnover of FM 3.2bn. Net sales for the Nokia group grew by 42 per cent to FM 4.6bn after the acquisition of British Tissues. Excluding British Tissues, group net turnover increased by 24 per cent.

Nokia Metal Industries (including Nokia Electronics), the most important division followed by Nokia Forest Industries, improved both sales and profitability. The results for the rubber and plastics divisions were "not entirely satisfactory."

Sharp rise in profits for Perrier parent

By David White in Paris

SOURCE PERRIER, the French group which has tried to create a world market in bottled water, reports a sharp increase in parent company net profits from FFr 57.9m to FFr 87.2m ($17.8m) for the financial year ended September 30.

The company had already promised to keep its net dividend at the previous year's level of FFr 8, after indications that earnings for the group as a whole would fall short of earlier forecasts. The dividend will be paid on capital increased by a third as a result of a scrip issue.

Consolidated net profits are expected to be roughly the same the FFr 75.6m reported in 1978-79. At the beginning of the year, the company had been forecasting an increase of at least 30 per cent.

The main setbacks were poor weather in France, and the failure of the U.S. market fully to live up to expectations. But the group has denied that its U.S. strategy has failed, and said that sales there showed a marked rise again last year.

Higher payout and rights issue from Gotthard Bank

BY JOHN WICKS IN ZURICH

GOTTHARD BANK of Switzerland is to raise SwFr 16.5m ($8.6m) through a rights issue and plans to lift its dividend by a fifth—to 12 per cent from 10 per cent.

Net profits of the parent bank rose 11 per cent in 1980 to SwFr 23m after what the board describes as a "good year" for trading. The bank's foreign exchange and precious metals divisions had a strong year, lifting earnings by more than half to SwFr 13.1m.

The one-for-10 rights issue will be priced at SwFr 200 for each unit of the new bearer shares and participation certificates.

At end-1980 the bank's balance-sheet stood at SwFr 3.14bn ($1.64bn), an expansion over the year of 29 per cent. Loans to customers rose 30 per cent to SwFr 934.4m and the amount due from banks by 36 per cent to SwFr 1.64bn. The latter sum included a substantial expansion in international business after the opening of a Luxembourg branch.

The Nassau-based subsidiary, Gotthard Bank Internatonal, recorded a rise in net profits to $2.5m after the balance-sheet had grown by 20 per cent to $250m.

New offshoot for Geneva bank

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

UNITED OVERSEAS BANK of Geneva has set up a new subsidiary in Luxembourg to take account of the growing trend of banks in the Grand Duchy to become involved in retail fund management for private investors.

The Geneva-based bank is wholly owned by Societe Financiere pour les pays d'Outre Mer, which in turn is a joint subsidiary of Bank of America, Banque Nationale de Paris, Banque Bruxelles Lambert and Dresdner Bank.

Recovery continues at B & W shipyard

By Hilary Barnes in Copenhagen

BURMEISTER AND WAIN'S shipyard in Copenhagen has shaken off the disaster which overtook the B and W engineering and shipbuilding group last year and could shortly move back into profit.

The management claims that the shipyard, the shares of which are currently held by the Danish Export Credit Council as security for guarantees, has one of the fattest order books of any shipyard in Europe, consisting of nine bulk carriers of 64,000 dwt each. Orders for six more vessels are expected to be signed within the next few weeks.

For 1981 the re-organised yard is probably capable of making a profit. The current financial year extends for 18 months to December 1981, and the problems of late 1979 will leave the yard in deficit for the period. But thereafter profits are expected.

For most of the past two years, it was touch and go whether the yard would survive the troubles which assailed the B and W group. These culminated last year in the sale of the marine engine operations to MAN of West Germany and the bankruptcy of the parent company, B and W A/S. They were caused partly by the world shipbuilding depression, which meant that neither the yard nor the diesel engineering works (one of the world's leading producers of large, two-stroke marine diesel engines) was able to obtain sufficient orders, and partly by the fact that the then majority shareholder, Mr. Jan Bonde Nielsen, faced an investigative charge of fraud which seriously damaged credit worthiness.

The shipyard was almost without orders for a period in 1979 and the workforce was cut from 3,700 to 800. Late 1979 the yard obtained orders for five bulk carriers but the Government refused to approve export credit guarantees, without which the yard could not finance the building programme. It was not until last autumn, after Mr. Bonde Nielsen had been forced out of the group, that the guarantees were finally approved.

In the meantime the yard had been reorganised as a separate entity with a total net capital of DKr 112m ($17m) and new orders for four bulk carriers were signed. At the end of the year the 10th order was taken. With another six vessels expected to be added to the order books, employment at the yard, where the workforce has been rebuilt to 1,700, will be assured until early 1984, says Mr. Svend Ove Lund, the sales director.

The yard's current success is attributable to development work which began shortly after the first oil shock, when it was realised that fuel efficiency would become a crucial factor.

The yard had built a series of 14 so-called Panamax bulk carriers, starting in 1973. In the hunt for fuel efficiency, the whole design was modified and at the same time the B and W diesel engineering works developed a new fuel efficient model of its long-stroke engine. The engine used in the new models runs at 106 revolutions per minute, compared with 120 to 125 in earlier engines. By down-rating to 90 revolutions, the shipyard has produced what it claims is currently the world's most fuel-efficient bulk carrier.

Owners were promised that the new vessels would consume "under 40 tonnes" of oil a day compared with 60 tonnes used by the Panamax vessels.

When sea trials were held in December for the first of the new series, the engineers' and designers' claims were fully vindicated. The vessel consumed 37 tonnes a day. The yard expects to be able to bring this down to 34 tonnes, and eventually plans a vessel which will consume only 30 tonnes a day.

The yard claims a high productivity level. It receives no Government subsidies, except that which all yards in industrialised countries receive in the form of ship financing terms agreed by the Organisation for Economic Co-operation and Development. This provides owners with a credit of 80 per cent of the contract price at 8 per cent over 8½ years.

Dart and Kraft quote

Shares in Dart and Kraft, the U.S. processed foods to Tupperware group, will be quoted on the Paris Bourse from February 18, Reuter reports from Paris.

Companies and Markets INTL. COMPANIES & FINANCE

CBC of Sydney increases dividend

By James Forth in Sydney

THE COMMERCIAL Banking Company of Sydney lifted its profit by 12.6 per cent in the December half-year, from A$16.5m to A$18.6m (US$21.6m). The result is a slow-down from the bank's recent performances, but the directors said that they were pleased with the performance, given reduced interest rate margins and continued official control over lending rates.

An interim dividend of 11 cents a share has been declared, against 9 cents previously, indicating the likelihood of the fifth consecutive rise in the annual dividend. The directors said they expected a further rise in the full year's profit, despite the possible effect of difficult money conditions in the final quarter.

Profits from the banking operations rose 11 per cent, to A$16.7m from A$15m. The savings bank had a difficult year, because of interest rate controls.

Tax absorbed A$33.83m against A$29.96m, and depreciation A$5.46m against A$3.75m. Extraordinary profits added A$950,000 compared with A$691,000.

Rights issue by ATI to raise R25m

By Our Johannesburg Correspondent

ANGLO TRANSVAAL Industries (ATI), the industrial arm of South Africa's Anglovaal group, is to raise R25m ($32.5m) through a one-for-three rights issue. The proceeds will be used partly to finance ATI's recent purchase of a controlling interest in Bakers, Flour Milling, a flour milling, confectionery, and baking, group.

The acquisition of 51 per cent of Bakers cost ATI R22.2m, but this could rise to R43.6m if minorities accept ATI's offer of R15.35 a share. ATI has already indicated its intention of raising R30m by an issue of preference shares.

ATI recently exchanged control of two subsidiaries, producing industrial fasteners and advertising signs, for control of Grinaker Holdings, a construction and electronics group. ATI also has substantial interests in the food industry.

Setback for North Borneo Timbers

By Wong Sulong in Kuala Lumpur

NORTH BORNEO TIMBERS (NBT), the Sabah-based group, has reported a sharp setback in first-half results, which were affected more strongly by depressed commodity prices than by the rise recorded in output.

For six months ended November, the group's pre-tax profits fell from 8m ringgit to just over 2.2m ringgit (US$1m). The main reason for the decline was the poor price of timber, and to lesser extent, the drop in cocoa prices.

Production of logs rose by nearly 30 per cent to 8m cu. ft., while sales were 21 per cent higher at 7.6m cu. ft. However, prices fell by 25 per cent. Cocoa output was down by 23 per cent at 520,000 lbs, while sales fell by 45 per cent to 295,000 lbs, and prices declined by 35 per cent.

Unigood buys major stake in Harilela group

By Our Hong Kong Correspondent

UNIGOOD INVESTMENTS, which is controlled by Mr. Chung Chun-sang and his associates has purchased a 79 per cent stake in Harilela's Property and Investments, a publicly quoted property company, after the family which controls the concern had repeatedly turned down offers for its shareholding.

Unigood paid HK$52m (U.S.$9.8m) or HK$3.25 a share and has agreed to change the company's name so that it is no longer linked to the Harilela family, and to sell back to the family a warehouse used for storage by one of its hotels. Unigood will also make a general offer for the remaining issued shares at the same HK$3.25 a share.

Harilela Property, which holds a number of small properties and some Hongkong and Shanghai Banking Corporation shares, has occasionally drawn speculative interest on the share market from investors hoping that the family would inject its prime assets, a Holiday Inn and a major office building, into its listed company.

But this has never been done and Sir Hari Harilela, the chairman, said the family finally decided that it would be inappropriate to retain a listed company with only a small portion of the family's assets. He said the purchase price roughly approximates the company's net asset value

Chung family purchases control of Chiap Luen

BY ADRIAN BOVEN IN HONG KONG

THE CHUNG family, one of Hong Kong's most active property developers, has announced a series of share and property transactions in which it will take full control of Chiap Luen Enterprises, the property concern. The family will exchange 62.53m shares of Overseas Union Realty (OUR) valued at HK$3.75 a share, or a total of HK$234.5m (U.S.$44m) for 35.5m new shares of Chiap Luen valued at HK$6.60 each.

OUR, previously named Hong Kong Barge, was brought back from a three year suspension from trading last year to become a much enlarged joint venture concern in which the family was one of the major partners. The stock closed on the market yesterday at HK$6.95 but the disparity with the price being paid by Chiap Luen stems from the fact that the pricing was determined before a bout of speculative activity pushed OUR's share price sharply higher. Chiap Luen was suspended from trading yesterday but closed last week at HK$6.75.

Chiap Luen will also buy a 20 storey office building and some minor assets from the Chung family for HK$182.7m in the form of 28.78m new shares valued at HK$6.35 each. These holdings were recently valued at HK$203m but Chiap Luen has provided for a 10 per cent discount, making the deal the more attractive to its shareholders when they vote on it at an extraordinary general meeting, for which a date has yet to be set.

Hornswood, a private company jointly owned by the Chung family and Hong Kong's Carrian group, the property concern, already owns 35 per cent of Chiap Luen, but after Carrian decided to opt out of the takeover, the Chung family financial advisors, Wardley — the merchant bank within the Hong Kong and Shanghai Banking Corporation group — agreed to take all the joint company shares on to its book at HK$6.60 each.

At the end of the process, the family will hold about 49 per cent of Chiap Luen and Wardley about 18 per cent. But the family has agreed to make a general offer for all the remaining shares at the same HK$6.60 that it paid to acquire control — and after that to make a rights issue.

The family is understood to want to keep chiang Luen publicely listed, and if the general offer is heavily subscribed it will seek to cut back again on its own holdings by not taking up its entitlements under the rights issue.

Trafalgar Housing more than trebles earnings

BY OUR HONG KONG CORRESPONDENT

TRAFALGAR HOUSING, a property development company which has branched out into natural resource exploration and fish farming, has reported attributable profits for the six months to September 30 of HK$25.05m (U.S.$4.7m), up 240 per cent from the same period of the previous year. It has also predicted that profits for the full year will be HK$128m, a 150 per cent improvement from the previous annual results.

The interim dividend has been raised by 50 per cent to 6 cents a share and, contrary to previous policies, the company has also declared a one-for-10 scrip issue.

Trafalgar won preliminary approval from the Macao Government in the period for a major residential and commercial complex, and expanded production at a prawn farm in China after the successful operation of a pilot plant.

Trafalgar's natural resource operations are located in the U.S. It bought Flare Energy Corporation, an oil exploration firm in Denver in the half-year, and a gold mine in Nevadad where new technology is expected to enhance the recovery of gold from low grade ores.

Highveld Steel profits up despite weak exports

BY BERNARD SIMON IN JOHANNESBURG

HIGHVELD STEEL, South Africa's largest exorter of vanadium and its second largest steel producer, has overcome weak export demand, to record a 14 per cent increase in net profits for the half-year to December 31 to R22.9m ($29.7m) compared with R20.1m in the second half of 1979. The company has declared an interim dividend of 10 cents against 9 cents. The directors say that second-half results should be maintained at similar levels to those of the first.

The recession in the major industrial countries has cut foreign demand for Highveld's products. According to the directors, only one of the company's eight vanadium roasting units is currently in operation.

Sales revenue from manganese and silicon ferro-alloys was 31 per cent lower in the second half of 1980 than during July-December 1979. Steel exports were also lower, but the company notes that dollar prices for steel imroved towards the end of last year.

The slump in exports has been offset to some extent by the buoyant domestic market. Steel consumption in South Africa grew by 16 per cent last year to reach a record 6.9m tons.

The interim results were helped by a drop in tax from R12.3m to R11.4m, resulting from a large increase in capital spending. A tenth pre-reduction kiln in the iron plant and a fourth shaking ladle facility in the steel plant will be commissioned by mid-1981. Highveld recently launched a R110m expansion programme.

Sage move in battle for Unisec

By Des Kilalea in Johannesburg

SAGE HOLDINGS, the South African investment company, has taken the unusual step in its formal offer document relating to its R152m ($197m) bid for Unisec, the holding and investment concern, of publishing all material correspondence between itself and Unisec about where voting control of the latter group lies.

Sage's offer was first announced on December 5 last year. Unisec has persistently stressed that the bid would be rejected by shareholders controlling more than 50 per cent of Unisec. Sage on the other hand contends that the companies holding part of the 50 per cent block are not Unisec associates, but subsidiaries. If this is the case they would not be entitled to vote on the deal. Central to Sage's objections to Unisec's dismissal of the offer is the question of where control of Unisec rests.

Sage is offering R 290 in cash and 20 options to subscribe for an Ordinary share in Sage, or R 295 in cash for every 100 Unisec Ordinary share. In addition both offers will include a further R 15 in cash should Sage acquire more than 50 per cent of Unisec. This would make the exit price for Unisec shareholders an effective 310 cents per Unisec share. The options are for subscription in 1983 and 1984 on a price earnings multiple of eight.

مكتب الاصل

$ & £ steady

Dollar was little changed in currency markets yesterday. Trading was generally lacking in features, although the U.S. unit may have been dampened by earlier profit taking in the Far East and a softer tendency in Euro-dollar rates. U.S. money supply figures continued to show a downward trend, while Manufacturers Bank followed Morgan Guaranty in cutting its prime rate to 19 per cent.

Sterling was steady against the dollar, and against European currencies. Recent indications that MLR was unlikely to fall before the March 10 budget helped to minimise any downward trend.

European currencies were mostly steady. Within the EMS the D-mark and Belgian franc remained at their floor levels against the strongest currency the French franc.

DOLLAR — Trade weighted index (Bank of England) fell to 99.1 from 99.3. The dollar was hardly changed overall, after an initial fall from overnight levels in the Far East. Against the D-mark it closed at DM 2.1390 compared with DM 2.1375, and SwFr 1.9400 against SwFr 1.9380 in terms of the Swiss franc. Against the Japanese yen it finished at Y203.80 only slightly changed from Friday's level of Y203.75.

STERLING—Trade weighted index (Bank of England) rose to 104.1 from 103.8, having stood at 104.1 in the morning and 103.9 at noon. Sterling was little changed in moderate trading, opening at $2.3320 against the dollar and rising to $2.3400 at noon before falling back on dollar demand to $2.3375. Later in the day dollar weakness pushed sterling to a best level of $2.3450, before it closed at $2.3400-2.3410, a fall of just 35 points.

D-MARK — Remaining weak near the bottom of the European Monetary System, reflecting Germany's poor balance of payments position and slower than expected growth rate. The recent rise in the U.S. dollar has prompted large intervention by the Bundesbank in the foreign exchange market, while tension in Poland remains a market factor—The D-mark showed little overall change at yesterday's fixing in Frankfurt. The dollar was lower, reflecting Friday's swap arrangement implemented by the Bundesbank, which put an estimated $4bn into the hands of West German Banks. The Bundesbank intervened at the fixing to sell $36.9m and the U.S. unit fell to DM 2.1365 from DM 2.1400. The situation in Poland continued to deteriorate and probably countered the downward effect on the dollar of the Bundesbank's move, while West Germany's latest retail price figures had little market impact. Elsewhere the French franc remained at its ceiling level within the EMS at DM 4.3415 per FFr 100, while the Danish krone eased to DM 32.585 per DKr 100 from DM 32.62. Sterling was slightly lower at DM 4.9880 against DM 4.9890.

FRENCH FRANC—Strongest member of the EMS, and trading on or around its maximum permitted level against the D-mark and Belgian franc. This has prompted very large intervention by several central banks, buying Belgian francs and D-marks for French francs. Elsewhere the French unit has suffered in line with other currencies in the face of renewed dollar strength, and has fallen 8 per cent against the U.S. unit this year—The French franc was firmer at yesterday's fixing in Paris, with both the Belgian franc and D-mark fixed at their respective floor levels against the franc within the EMS. Both currencies were maintained at FFr 14.3680 per BFr 100 and FFr 2.3033, unchanged from Friday, after further central bank support. Outside the EMS, the dollar was lower at FFr 4.9260 against FFr 4.9340, and sterling fell to FFr 11.5190.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU February 9	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	39.7897	41.6708	+4.73	+1.00	±1.53
Danish Krone ...	7.72336	7.98963	+3.45	−0.28	±1.64
German D-Mark	2.48208	2.59930	+4.72	+0.99	±1.125
French Franc ...	5.84700	5.98963	+2.44	−1.29	±1.3657
Dutch Guilder ...	2.74362	2.81879	+2.72	−1.01	±1.512
Irish Punt ...	0.668201	0.697074	+4.32	+0.59	±1.668
Italian Lira ...	1157.79	1231.55	+6.37	+2.73	±4.08

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

THE POUND SPOT AND FORWARD

Feb. 9	Day's Spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.3320-2.3450	2.3400-2.3410	0.45-0.55c dis	−2.56	2.30-2.40dis	−4.02
Canada	2.7900-2.8030	2.7990-2.8000	0.70-0.80c dis	−3.21	2.88-2.98dis	−4.19
Nethlnd.	5.40-5.44	5.42¾-5.43¾	2⅜-1⅜c pm	4.15	4⅞-3⅞ pm	3.22
Belgium	80.00-80.40	80.20-80.30	15-5c pm	1.50	12-2 pm	0.35
Denmark	15.32-15.38	15.35½-15.36½	1½ore pm-1¾ dis	−0.10	¾ pm-1¾dis	−0.13
Ireland	1.3375-1.3440	1.3405-1.3415	0.01-0.14p dis	−0.67	0.35-0.53dis	−1.31
W. Ger.	4.98-5.02	5.00¼-5.01¼	2½-1½pf pm	3.89	4⅛-3⅛ pm	2.90
Portugal	130.70-131.50	131.05-131.25	90c pm-30 dis	2.74	105-260 dis	−5.57
Spain	198.20-199.20	199.05-199.15	20c pm-45 dis	−0.75	165-245 dis	−4.12
Italy	2,368-2,372	2,368-2,369	4½-6½ lire dis	−2.79	29¾-32¾dis	−5.28
Norway	12.57-12.62	12.60-12.61	2½-1¼ore pm	1.79	2¾-2 pm	0.75
France	11.51-11.55	11.53¾-11.54¾	3¾-2¾c pm	3.38	7-6 pm	2.25
Sweden	10.71¾-10.76½	10.73½-10.74½	2½-3½ore dis	−3.36	12½-14½dis	−5.03
Japan	472-480	477-478	2.60-2.30y pm	6.16	5.80-5.40 pm	4.69
Austria	35.30-35.50	35.40-35.45	16½-13½gro pm	5.12	36½-30½ pm	3.78
Switz.	4.51-4.56	4.53¾-4.54¾	3¾-2¾c pm	7.26	7⅞-6⅞ pm	6.27

Belgian rate is for convertible francs. Financial franc 80.26-80.35. Six-month forward dollar 4.50-4.60c dis, 12-month 6.90-7.10c dis.

THE DOLLAR SPOT AND FORWARD

Feb. 9	Day's Spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.3320-2.3450	2.3400-2.3410	0.45-0.55c dis	−2.56	2.30-2.40dis	−4.02
Ireland†	1.7390-1.7475	1.7465-1.7475	0.23-0.33c dis	−1.93	1.10-1.25dis	−2.70
Canada	1.1952-1.1974	1.1967-1.1970	0.05-0.10c dis	−0.75	0.05-0.10dis	−0.25
Nethlnd.	2.3135-2.3265	2.3240-2.3255	1.43-1.33c pm	7.12	4.29-4.19 pm	7.29
Belgium	34.24-34.36	34.27-34.29	13½-12c pm	4.46	41-38 pm	4.60
Denmark	6.5550-6.5800	6.5775-6.5800	2-1½ore pm	3.19	6¼-5¼ pm	3.65
W. Ger.	2.1325-2.1525	2.1385-2.1395	1.22-1.17pf pm	6.70	3.74-3.69 pm	6.95
Portugal	55.80-56.25	56.00-56.15	50c pm-par	5.35	100 pm-par	3.57
Spain	84.84-85.16	85.05-85.15	25c pm-par	1.76	10pm-20dis	−0.23
Italy	1,012-1,016¼	1,012½-1,013½	½-1½ lire dis	−1.18	4½-5½ dis	−1.97
Norway	5.3780-5.3940	5.3870-5.3890	2.10-1.60ore pm	4.12	6.40-5.90 pm	4.56
France	4.9190-4.9380	4.9350-4.9375	2.63-2.53c pm	6.27	7.65-7.45 pm	6.12
Sweden	4.5790-4.5920	4.5910-4.5920	par-0.20ore dis	−0.26	0.35-0.55dis	−0.39
Japan	203.25-204.25	203.75-203.85	1.50-1.35y pm	8.39	4.25-4.10 pm	8.19
Austria	15.11½-15.18½	15.14-15.15	10.00-9.30gro pm	7.64	30.00-28.00pm	7.65
Switz.	1.9325-1.9490	1.9395-1.9405	1.71-1.83c pm	10.33	5.02-4.94 pm	10.27

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

OTHER CURRENCIES

Feb. 9	£	$		£ Note Rates
Argentina Peso...	5250-5270	2248-2258	Austria...	35.10-35.50
Australia Dollar...	2.0085-2.0125	0.8575-0.8580	Belgium...	80.10-80.90
Brazil Cruzeiro ...	161.80-162.80	69.19-69.54	Denmark...	15.27-15.42
Finland Markka ...	9.436-9.445	4.0350-4.0370	France...	11.45-11.55
Greek Drachma...	116.745-118.768	50.65-50.75	Germany...	4.98-5.02
Hong Kong Dollar	12.35-12.37	5.2850-5.2880	Italy ...	2400-2490
Iran Rial...	173.90*	74.10*	Japan ...	474-480
Kuwait Dinar(KD)	0.634-0.640	0.2728-0.2730	Netherlands ...	5.39½-5.44½
Luxembourg Frc.	80.20-80.30	34.27-34.29	Norway...	12.52-12.62
Malaysia Dollar...	5.2250-5.2350	2.2360-2.2380	Portugal...	129-140
New Zealand Dlr	2.4805-2.4855	1.0585-1.0595	Spain ...	195½-209½
Saudi Arab. Riyal	7.75-7.81	3.3300-3.3320	Sweden ...	10.70-10.80
Singapore Dollar.	4.8375-4.8475	2.0705-2.0725	Switzerland...	4.51½-4.56
Sth African Rand	1.7930-1.7950	0.7660-0.7670	United States ...	2.32¾-2.34¾
U.A.E. Dirham...	8.54-8.60	3.6715-3.6735	Yugoslavia...	82.8-86

Feb. 6 Finland/Sterling 9.40½-9.42½.
Rate given for Argentina is free rate. * Selling rate.

CURRENCY MOVEMENTS

Feb. 9	Bank of England Index	Morgan Guaranty Changes%
Sterling ...	104.1	−23.2
U.S. dollar...	99.1	−4.9
Canadian dollar...	84.7	−18.6
Austrian schilling...	114.0	+20.4
Belgian franc...	108.2	+9.8
Danish kroner...	89.9	−9.9
Deutsche mark...	118.1	+37.3
Swiss franc...	133.4	+73.2
Guilder...	112.8	+15.8
French franc...	86.9	−9.0
Lira...	61.6	−53.4
Yen...	148.8	+44.6

Based on trade weighted changes from Washington agreement December, 1971. Bank of England Index (base average 1975=100).

CURRENCY RATES

Feb. 6	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling ...	14	0.530153	0.519609
U.S. $ ...	13	1.23839	1.21877
Canadian $...	17.11	1.48074	1.45496
Austria Sch...	6¾	18.8260	18.4038
Belgium F...	12	42.5387	41.6889
Danish K...	11	8.17647	7.97880
D'mark...	7½	2.65015	2.59895
Guilder ...	8	2.87988	2.82150
French Fr...	9½	6.11022	5.99107
Lira ...	16½	1257.28	1231.25
Yen ...	7¼	253.127	246.519
Norwgn. Kr.	9	6.70898	6.55198
Spanish Pta.	8	105.090	102.928
Swedish Kr...	12	5.70365	5.58019
Swiss Fr...	3½	2.40248	2.35701
Greek Dr'ch.	—	—	61.8269

EXCHANGE CROSS RATES

Feb. 9	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.341	5.008	477.5	11.538	4.543	5.428	2369.	2.800	80.25
U.S. Dollar	0.427	1.	2.140	204.0	4.930	1.941	2.319	1012.	1.196	34.29
Deutschemark	0.200	0.467	1.	95.36	2.304	0.907	1.084	473.0	0.559	16.03
Japanese Yen 1,000	2.094	4.902	10.49	1000.	24.16	9.513	11.37	4960.	5.863	168.1
French Franc 10	0.867	2.029	4.340	413.9	10.	3.937	4.704	2053.	2.426	69.56
Swiss Franc	0.220	0.515	1.102	105.1	2.540	1.	1.195	521.4	0.616	17.67
Dutch Guilder	0.184	0.431	0.923	87.98	2.126	0.837	1.	436.4	0.516	14.79
Italian Lira 1,000	0.422	0.988	2.114	201.6	4.871	1.918	2.292	1000.	1.182	33.88
Canadian Dollar	0.357	0.836	1.789	170.6	4.121	1.623	1.939	846.0	1.	28.67
Belgian Franc 100	1.246	2.917	6.240	595.0	14.38	5.660	6.763	2951.	3.488	100.

FT LONDON INTERBANK FIXING (11.00 a.m. FEBRUARY 9)

3 months U.S. dollars		6 months U.S. dollars	
bid 17 1/8	offer 17 1/4	bid 16 11/16	offer 16 13/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

EURO-CURRENCY INTEREST RATES (Market closing Rates)

Feb. 9	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Belgian Franc Convertible	Japanese Yen
Short term ...	14¼-14⅝	16⅞-17⅛	18-19	9 1/16-9 3/16	3¼-3¾	8⅞-9	10½-10¾	15-17	12-12½	8-8½
7 days' notice.	14¼-14⅝	17-17¼	18-19	9⅛-9¼	3¾-4¼	9 1/16-9 3/16	10½-10¾	15-17	12-12½	8⅜-8⅝
Month ...	14⅛-14¼	16⅞-17⅛	17¾-18⅛	9 5/16-9 7/16	5⅞-6⅛	9 5/16-9 7/16	10¼-10½	16¾-18¼	12 1/16-12 5/16	8 3/16-8 5/16
Three months...	13¼-13 7/16	17-17¼	17⅝-17⅞	9½-9⅝	6 5/16-6 9/16	9⅞-10	10⅝-10⅞	18⅛-19⅛	12 11/16-12 15/16	8¼-8½
Six months...	12 11/16-12⅞	16⅝-16⅞	16¼-16⅝	9⅝-9¾	6⅛-6⅜	9⅞-10	11⅝-11⅞	18¼-19¼	12 13/16-12 15/16	8¼-8½
One Year...	12 5/16-12¾	15¾-16	15¼-15⅝	9 11/16-9 13/16	6 1/16-6 5/16	9⅞-10	12½-12¾	18¾-19¾	12 13/16-13 1/16	8 1/16-8 11/16

SDR linked deposits: one-month 13⅜-13½ per cent; three-months 13 5/16-13 7/16 per cent; six-months 13 3/16-13 7/16 per cent; one year 12 13/16-13 1/16 per cent.

Asian $ (closing rates in Singapore) one-month 16¾-16⅞ per cent; three-months 17⅛-17¼ per cent; six-months 16 9/16-16 11/16 per cent; one year 15¾-15⅞ per cent. Long-term Eurodollars two years 15⅜-15⅝ per cent; three years 15-15⅜ per cent; four years 14⅝-15 per cent; five years 14⅝-14¾ per cent; nominal closing rates. Short-term rates are call for sterling, U.S. dollars, Canadian dollars and Japanese yen; others two-days' notice.

The following nominal rates were quoted for London dollar certificates of deposit: one-month 17.15-17.25 per cent; three-months 16.95-17.05 per cent; six-months 16.30-16.40 per cent; one year 15.50-15.60 per cent.

INTERNATIONAL MONEY MARKET

Europe rates firm

European short-term interest rates showed a firmer trend yesterday, with German call money rising to 9.25-9.30 per cent from 9.05-9.15 per cent. The Frankfurt money market is expected to remain tight until the next Bundesbank central council meeting on February 19. Action by the central bank to reduce domestic liquidity as an aid to the weak D-mark has absorbed some DM 6bn and this coupled with normal market factors such as tax payments has put upward pressure on rates. The next meeting of the Bundesbank council is expected to produce a rise in the central bank Lombard rate from the present level of 9 per cent. Term rates were also firmer yesterday, with one-month funds rising to 9.25-9.30 per cent from 9.00-9.10 per cent.

The strength of the French franc against the D-mark remains a problem, leading to speculation of moves to reduce Paris interest rates. French call money touched its highest level for nearly four weeks however, rising to 10⅞ per cent from 10 11/16 per cent. Period rates were steady.

In Brussels the Belgian National Bank raised two- and three-month Treasury bill rates by ½ per cent to 12¼ per cent and 12½ per cent respectively. Despite the weakness of the Belgian franc in the European Monetary System yesterday's move was principally to help the Government meet its heavy borrowing needs in the first quarter.

MONEY RATES

NEW YORK	
Prime Rate ...	19-19½
Fed. Fund ...	16⅞-17
Treasury Bills (13-week)...	15.45
Treasury Bills (26-week)...	14.18
GERMANY	
Discount Rate ...	7.5
Overnight Rate ...	9.275
One month ...	9.275
Three months ...	9.85
Six months ...	9.95
FRANCE	
Discount Rate ...	9.5
Overnight Rate ...	10.875
One month ...	10.9375
Three months ...	11.5625
Six months ...	12.1875
JAPAN	
Discount Rate ...	7.25
Call (Unconditional) ...	8.9375
Bill Discount (three-month)...	8.65625

UK MONEY MARKET

Moderate shortage

Bank of England Minimum Lending Rate 14 per cent (from November 24, 1980)

Day-to-day credit was in short supply in the London money market yesterday and the authorities gave moderate assistance by buying a small amount of Treasury bills, a small number of local authority bills, and a moderate amount of eligible bank bills from the discount houses. A moderate number of commercial bills maturing in official hands was the only major factor influencing the market.

Yesterday's payment of the rate support grant was approximately balanced by the further flow of funds into the Exchequer, mainly in the form of VAT payments.

Discount houses paid 13½-13¾ per cent for secured call loans in the early part, with closing balances taken at 13½-14 per cent.

In the interbank market overnight loans opened at 14⅛-14¼ per cent and rose to 14½-15 per cent, before closing very firm at around 15 per cent.

GOLD

Firmer trend

Gold rose by $14 an ounce in the London bullion market yesterday to close at $515-518. The metal opened at this level following higher levels in Hong Kong, but this was its best price of the day, and during the afternoon it touched a low of $515-514, reflecting some profit taking and the continued strength of the dollar and U.S. interest rates.

In Paris the 12½ kilo bar was fixed at FFr 89,700 per kilo ($566.38 per ounce) in the afternoon, compared with FFr 89,500 ($564.88) in the morning, and FFr 88,700 ($559.15) on Friday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 35,470 per kilo ($516.51 per ounce) against DM 35,178 ($506.50) on Friday, and closed at $512-515 compared with $499-502.

In Zurich gold closed at $511-514 against $499-502 previously.

	Feb. 9		Feb. 6	
Gold Bullion (fine ounce)				
Close ...	$515-518	(£219¾-221)	$501-504	(£214¼-215½)
Opening ...	$515-518	(£220⅜-221⅝)	$497-500	(£213¼-214½)
Morning fixing ...	$515	(£220.180)	$506.50	(£217.009)
Afternoon fixing	$512.50	(£219.298)	$500.50	(£214.625)
Gold Coins				
Krugerrand...	$533-535	(£227½-228½)	$516-518	(£220¼-221¼)
1/2 Krugerrand. ...	$273-277	(£116½-118¼)	$265-269	(£113¼-114¾)
1/4 Krugerrand. ...	$139-143	(£59¼-61)	$134-138	(£57¼-59)
1/10 Krugerrand ...	$58-62	(£24¾-26½)	$56-60	(£24-25½)
Mapleleaf...	$531-533	(£226¾-227½)	$514½-516½	(£219¾-220½)
New Sovereigns.	$130½-131½	(£55¾-56¼)	$126½-127½	(£54-54½)
King Sovereigns.	$152-154	(£64¾-65¾)	$151-153	(£64½-65½)
Victoria Sovs...	$152-154	(£64¾-65¾)	$151-153	(£64½-65½)
French 20s...	$169-172	(£72¼-73½)	$169-172	(£72-73½)
50 pesos Mexico	$638-643	(£272½-274½)	$624-629	(£266½-268½)
100 Cor. Austria.	$500-505	(£213½-215¾)	$488-493	(£208½-210½)
$20 Eagles ...	$645-650	(£275½-277½)	$633-638	(£270¼-272½)

LONDON MONEY RATES

Feb. 9 1981	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ⊕	Eligible Bank Bills ⊕	Fine Trade Bills ⊕
Overnight...	—	14⅛-15	13⅞-14⅛	—	—	14⅝	13½-14	—	—	—
2 days notice...	—	—	14	—	—	—	—	—	—	—
7 days or...	—	—	—	—	—	—	—	—	—	—
7 days notice...	—	14⅛-14⅝	14⅛	—	14⅜	14¼-14⅝	13¾-13⅞	—	—	—
One month...	14 1/16-14	14 1/16-14¼	14-14¼	18¼-14⅞	14⅜	14⅛-14 5/16	13¾-14	12¾-12 13/16	13 13/16	14⅝
Two months...	13 13/16-13⅝	15⅛-13⅞	—	14¼-13⅞	14 1/16	14¼	13¼-13⅝	12 11/16	13 5/16	13⅞
Three months.	13 5/16-13⅛	13¼-13 7/16	13¼-13⅛	13⅝-13¼	13 11/16	13¾	12½-12⅝	12 7/16-12 9/16	12⅝	13¼
Six months...	12 13/16-12⅝	12¾-12 11/16	12⅝-12¾	13⅛-12⅝	13 1/16	13¼	—	—	11 15/16	12⅞
Nine months...	12 11/16-12½	12⅝-12¾	—	13⅛-12⅞	12 13/16	13	—	—	—	—
One year...	12 7/16-12 5/16	12 5/16-12 11/16	12⅝	12⅞-12⅝	12 13/16	13	—	—	—	—
Two years...	—	—	13	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. Long-term local authority mortgage rates nominally three years 13-13¼ per cent; four years 13⅛-13½ per cent; five years 13⅛-13½ per cent. ⊕Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 12¾-12 7/16 per cent; four-month trade bills 13 per cent.

Approximate selling rate for one-month Treasury bills 12 13/16 per cent; two-months 12 11/16-12⅝ per cent; three-months 12 7/16-12 5/16 per cent. Approximate selling rate for one-month bank bills 13½-13 11/32 per cent; two-months 13 3/16-13 7/32 per cent; three-months 12 15/16 per cent; one-month trade bills 14½ per cent; two-months 13⅞ per cent and three-months 13 per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 15 per cent from February 1, 1981. Clearing Bank Deposit Rates for sums at seven days' notice 11½-12 per cent. Clearing Bank Rates for lending 14 per cent. Treasury Bills: Average tender rates of discount 12.4166 per cent.

WORLD VALUE OF THE POUND

The table below gives the latest available rate of exchange for the pound against various currencies on February 9, 1981. In some cases rates are nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Abbreviations: (A) approximate rate, no direct quotation available; (F) free rate; (P) based on U.S. dollar parities and going sterling/dollar rates; (S) member of the sterling area other than Scheduled Territories; (T) tourist rate; (Bas) basic rate; (bg) buying rate; (Bk) bankers' rates; (cm) commercial rate; (ch) convertible rate; (fn) financial rates; (exC) exchange certificate rate; (k) Scheduled Territory; (nc) non-commercial rate; (nom) nominal; (o) official rate; (sg) selling rate.

Place and local unit		Value of £ sterling
Afghanistan...	Afghani	112.00
Albania...	Lek	10.04
Algeria ...	Dinar	8.9605
Andorra...	French Franc	11.5375
	Spanish Peseta	199.10
Angola...	Kwanza	(CM) 69.794 (T) 72.237
Antigua (S) ...	E. Caribbean $	6.32
Argentina...	Ar. Peso Free Rate	5,260.0
Australia (S)...	Australian $	2.0105
Austria ...	Schilling	35.425
Azores...	Portugu'se Escudo	131.15
Bahamas (S) ...	Ba. Dollar	2.3405
Bahrain (S)...	Dinar	0.880
Balearic Isles...	Spa. Peseta	199.10
Bangladesh (S)...	Taka	38.70
Barbados (S)...	Barbados $††	4.6810
Belgium ...	B. Franc	(cm) 80.25 (fn) 80.30
Belize...	B $	4.6810
Benin...	C.F.A. Franc	576.875
Bermuda (S)...	Bda $	2.3405
Bhutan ...	Indian Rupee	19.00
Bolivia...	Bolivian Peso	58.45
Botswana (S)...	Pula	1.7240
Brazil ...	Cruzeiro ‡‡	162.30
Brit. Virgin Isles (S)	U.S. $	2.3405
Brunei (S)...	Brunei $	4.8425
Bulgaria...	Lev	2.1328
Burma...	Kyat	15.75
Burundi...	Burundi Franc	215.445
Cameroon Republic	C.F.A. Franc	576.875
Canada ...	Canadian $	2.7995
Canary Islands...	Spanish Peseta	199.10
Cape Verde Isle...	Cape V. Escudo	85.35
Cayman Islands (S)	Cay. Is. $	1.9505
Cent. Af. Repub. ...	C.F.A. Franc	576.875
Chad ...	C.F.A. Franc	576.875
Chile ...	C. Peso	(Bk) 91.26
China ...	Renminbi Yuan	3.7665
Colombia ...	C. Peso	(F) 119.27
Comoro Islands...	C.F.A. Franc	576.875
Congo (Brazzaville)	C.F.A. Franc	576.875
Costa Rica ...	Colon	20.13
Cuba...	Cuban Peso	1.6830
Cyprus (S) ...	Cyprus £	0.8975
Czechoslovakia...	Koruna	(com) 14.00 n/c 24.38 (T) 23.80
Denmark...	Danish Krone	15.36
Djibouti...	Fr.	400 (sg)
Dominica (S)...	E. Caribbean $	6.32
Dominican Repub.	Dominican Peso	2.3405
Ecuador ...	Sucre	(O) 58.70 (F) 67.39
Egypt ...	Egyptian £	(U) 1.635
Equatorial Guinea.	Ekuele	398.2
Ethiopia...	Ethiopian Birr	(P) 4.7650
Falkland Islands (S)	Falkland Is. £	1.0
Faroe Islands...	Danish Krone	15.36
Fiji Islands ...	Fiji $	1.8780
Finland...	Markka	9.4405
France ...	French Franc	11.5375
French C'tyin Af*	C.F.A. Franc	576.875
French Guiana...	Local Franc	11.5375
French Pacific Is...	C.F.P. Franc	180 (sg)
Gabon ...	C.F.A. Franc	576.875
Gambia (S) ...	Dalasi	4.0
Germany (East)...	Ostmark	5.0075
Germany (West)...	Deutsche Mark	5.0075
Ghana (S) ...	Cedi	6.43
Gibraltar (K)...	Gibraltar £	1.0
Greece...	Drachma	118.2245

Place and local unit		Value of £ sterling
Greenland...	Danish Kroner	15.36
Grenada (S)...	E. Caribbean $	6.32
Guadaloupe...	Local Franc	11.5375
Guam ...	U.S. $	2.3405
Guatemala ...	Quetzal	2.3405
Guinea Republic ...	Syli	46.45
Guinea Bissau...	Peso	82.80
Guyana (S)...	Guyanese $	5.97
Haiti...	Gourd	11.70
Honduras Repub...	Lempira	4.70
Hong Kong (S)...	H.K. $	12.38
Hungary...	Forint	(com) 79.5792 (T)(nc) 60.3650
Iceland (S)...	I. Krona	15.107(1)
India (S)...	Ind. Rupee	19.00
Indonesia...	Rupiah	1,462.80
Iran...	Rial	173.90 (sg)
Iraq...	Iraq Dinar	0.6943
Irish Republic (k)...	Irish £	1.3410
Israel...	Shekel	19.32
Italy...	Lira	2,368.5
Ivory Coast...	C.F.A. Franc	576.875
Jamaica (S)...	Jamaica Dollar	4.1743
Japan ...	Yen	477.5
Jordan (S)...	Jordan Dinar	0.740 (sg)
Kampuchea ...	Riel	2,808.6
Kenya (S)...	Kenya Shilling	19.12
Kiribati ...	Australian $.	2.0105
Korea (Nth)...	Won	2.22 (ll)
Korea (Sth)...	Won	1,561.81
Kuwait ...	Kuwait Dinar	0.637
Laos...	New Kip	23.405
Lebanon ...	Lebanese £	9.0700
Lesotho ...	Loti	1.7940
Liberia ...	Liberian $	2.3405
Libya...	Libyan Dinar	0.6929
Liechtenstein...	Swiss Franc	4.5425
Luxembourg ...	Lux Franc	80.25
Macao ...	Pataca	12.40
Madeira...	Portug'se Escudo	131.15
Malagasy Republic	MG Franc	576.875
Malawi (S)...	Kwacha	1.9850
Malaysia (S)...	Ringgit	5.2300
Maldive Islands (S)	Mal Rupee	9.1885
Mali Republic...	Mali Franc	1,153.75
Malta (S)...	Maltese £	0.865
Martinique...	Local Franc	11.5375
Mauritania...	Ouguiya ;	114.30
Mauritius (S) ...	M. Rupee	18.80
Mexico...	Mexican Peso	54.80
Miquelon...	C.F.A. Franc	576.875
Monaco...	French Franc	11.5375
Mongolia...	Tugrik	(o) 7.40 (ll)
Montserrat...	E. Caribbean $	6.32
Morocco ...	Dirham	10.90 (sg)
Mozambique...	Metical	67.40
Nauru...	Australian Dollar	2.0105
Nepal...	Nepalese Rupee	28.05
Netherlands...	Guilder	5.4275
Netherland Antilles	Antillian Guilder	4.1895
New Hebrides...	See VANUATU	
New Zealand (S)...	N. Z. Dollar	2.4830
Nicaragua...	Cordoba	23.40
Niger Republic...	C. F. A. Franc	576.875
Nigeria (S)...	Naira	1.267479 (sg)
Norway ...	Norway Krone	12.605
Oman Sul'ate of (S)	Rial Omani	0.807
Pakistan...	Pakistan Rupee	22.97
Panama...	Balboa	2.3405
Papua N.Guinea (S)	Kina	1.5235
Paraguay...	Guarani	294.84

Place and local unit		Value of £ sterling
Peru...	Sol	exc (A) 816.55
Philippines...	Philippine Peso	17.45
Pitcairn Islands (S)	£ Sterling	—
	New Zealand $	2.4830
Poland ...	Zloty	(Cm) 76.20 (T) 76.20
Portugal ...	Portugu'se Escudo	131.15
Puerto Rico...	U.S. $	2.3405
Qatar (S)...	Qatar Ryal	8.50
Reunion Ile de la...	French Franc	11.5375
Romania ...	Leu	(Cm) 10.48 (n.c.) 728.13
Rwanda...	Rwanda Franc	224.28
St. Christopher (S)	E. Caribbean $	6.32
St. Helena ...	St. Helena £	1.0
S. Lucia...	E. Caribbean $	6.32
St. Pierre...	Local Franc	11.5375
S. Vincent (S)...	E. Caribbean $	6.32
Salvador El ...	Colon	5.86
Samoa American...	U.S. $	2.3405
San Marino ...	Italian Lira	2,368.5
Sao Tome & Principe	Dobra	85.15
Saudi Arabia...	Ryal	7.78
Senegal ...	C.F.A. Franc	567.875
Seychelles...	S. Rupee	15.55 (sg)
Sierra Leone (S)...	Leone	2.5895
Singapore (S)...	Singapore $	4.8425
Solomon Islands (S)	Solomon Is. $	1.8760
Somali Republic...	Somali Shilling	(A) 14.10
South Africa (S)...	Rand	1.7940
South West African Territories (S)...	S. A. Rand	1.7940
Spain...	Peseta	199.10
Spanish ports in North Africa...	Peseta	199.10
Sri Lanka (S) ...	S. L. Rupee	41.32
Sudan Republic...	Sudan £ (1)	1.17
Sudan Republic...	Sudan £ (2)	1.87
Surinam ...	S. Guilder	4.1895
Swaziland (S) ...	Lilangeni	1.7940
Sweden ...	S. Krona	10.74
Switzerland ...	Swiss Franc	4.5424
Syria...	Syria £	(A) 9.18
Taiwan ...	New Taiwan $	84.25
Tanzania (S)...	Tan. Shilling	19.07
Thailand...	Baht	47.86
Togo Republic ...	C.F.A. Franc	576.875
Tonga Islands (S)...	Pa'anga	2.0105
Trinidad (S) ...	Trinidad & Tob. $	5.6172
Tunisia...	Tunisian Dinar	1.0098 (sg)
Turkey...	Turkish Lira	225.10
Turks & Caicos...	U.S. $	2.3405
Tuvalu ...	Australian $	2.0105
Uganda (S) ...	Uganda Shilling	19.10
United States...	U.S. Dollar	2.3405
Uruguay...	Uruguay Peso	(cm) 23.83 (fn) 23.78
Utd. Arab Emirates	U.A.E. Dirham	8.57
U.S.S.R. ...	Rouble	1.6660
Upper Volta ...	C.F.A. Franc	576.875
Vanuatu...	Vatu	160 (sg)
	Aust. Dollar	2.0105
Vatican ...	Italian Lire	2,368.5
Venezuela...	Bolivar	10.04
Vietnam...	Dong	(O) 5.1020 (T) 5.44 (1)
Virgin Islands U.S.	U.S. Dollar	2.3405
Western Samoa	S. Samoan Tala	2.1705
Yemen (Nth)...	Ryal	10.52 (sg)
Yemen (Sth)...	S. Yemen Dinar	(A) 0.7985
Yugoslavia...	New Y Dinar	70.9369
Zaire Republic...	Zaire	7.185975
Zambia...	Kwacha	1.9350
Zimbabwe ...	Zimbabwe $	1.5030

*That part of the French community in Africa formerly French West Africa or French Equatorial Africa. † Rupees per pound. ‡ General rates of oil and iron exports 98.30. ** Rate is the transfer market (controlled). †† Rate is now based on 2 Barbados $ to the dollar. ‡‡ Now one official rate. (U) Unified rate, Applicable on all transactions except countries having a bilateral agreement with Egypt, and who are not members of IMF. (ll) Based on gross rates against Russian rouble. (1) Official rates for government transactions and specified exports and imports. (2) Parallel rate for non-government transactions and non-specified exports and imports. § One new Krona=100 old Kronur.

Mixed midsession on Wall St.

A CUT in the Prime Rate by Morgan Guaranty Trust to 19 per cent from 19½ led to only a brief improvement on Wall Street yesterday morning, before the market turned back to make a mixed showing at mid-session.

Analysts said investors were encouraged by Morgan's move, but noted that there were fears that Congress will not go along with President Reagan's proposals for Budget cuts. They added that the Federal Reserve also remains reluctant to let rates come down very much.

The Dow Jones Industrial Average, which was 3.16 higher at 10.30 am, had slipped to 952.22 by 1 pm, a slight 0.08 below Friday's close. The NYSE All Common Index lost 25 cents at $74.58 but with gains and declines about evenly matched. A moderate turnover of 26.04m shares was recorded, compared with Friday's 1 pm figure of 31.91m.

Energy, Defence and High Technology issues were easier. Active Mobil lost ¾ to $71½, Exxon $1 to $73¾ and Standard Oil (Ohio) ⅞ to $58. IBM eased ½ to $64, Folm ⅞ to $44 and Prime Computer ⅜ to $35.

Raytheon shed ⅜ to $96½ despite a $117.3m contract from the Army. Litton slipped ½ to $74½.

Texas Air said it holds 9.5 per cent of Continental Airlines and will make a $13 a share bid for up to 6m shares to gain control. A Civil Aeronautics Board aide Friday recommended approval of a merger between Western Airlines and Continental.

Continental had yet to trade but closed on Friday at $11½. Western eased ¼ to $9¼, while Texas shed ⅜ to $12½ on the American Exchange.

THE AMERICAN S.E. Market Value Index managed a gain of 0.91 at 348.34 at 1 pm. Volume 3.18m shares (3.68m).

Delhi International rose 1⅞ to $79⅜ and Triton Oil 1⅞ to $26⅞. They both hold stakes in a big Australian oil well.

Closing prices for North America were not available for this edition.

Canada

Shares tended to gain further ground in active early trading. The Toronto Composite Index was 9.2 higher at 2,258.9 at noon. Golds put on 98.8 to 4,293.5 and Oil and Gas 17.8 to 4,552.7.

Tokyo

Further profit-taking left most lost ground. Non-ferrous Metals over, with the fear of a tightening of curbs on margin trading continuing to sap confidence.

The Nikkei-Dow Jones Average declined 25.08 to 7,239.90 and the Tokyo SE index lost 2.30 to 505.95. Falls outpaced rises on the First Market section by 427 to 232 following a volume of 230m shares, against last Friday's 300m.

Light Electricals, Precision Instruments, Trading Houses, Oils, Shipbuildings, Machine Manufacturers, Pharmaceuticals, Foods and Speculatives mainly lostg round. Non-ferrous Metals and Coals, however, improved, reflecting political unrest in Poland.

Victor Japan retreated Y90 to Y2,409. TDK Electronics Y80 to Y3,570, Olympus Y60 to Y1,300, Fuji Photo Y25 to Y935, Canon Y11 to Y808, Fuji Electric Y14 to Y298, Hitachi Shipbuilding Y5 to Y185, Chugai Pharmaceutical Y28 to Y662, Takeda Y14 to Y766 and Morinaga Milk Y15 to Y411. Trading House Mitsubishi shed Y6 to Y673, Arabian Oil Y60 to Y3,160 and Hitachi Seiki Y28 to Y520.

In contrast, Sumitomo Mining advanced Y14 to Y260. Nippon Light Metal Y8 to Y181. Mitsubishi Metal Y3 to Y178 and Mitsui Mining Y19 to Y780.

Germany

Higher interest rates, continuing weak Bond markets and a worsening of the Polish crisis over the weekend kept the stock market depressed yesterday, with most issues closing lower after thin trading. The Commerzbank index lost 4.8 more at 666.6, a new 1980-81 low.

Dresdner Bank, off DM 3.50 on Friday on news of a dividend cut, falling DM 2.50 more to DM 156. Deutsche Bank dipped DM 4.40 to DM 276.50.

Public issues fell sharply by up to DM 1.50 on the Domestic Bond markets, but with Bundesbank purchases of only DM 4.7m taking place, against Friday's DM 24.3m. Brokers commented that the Bundesbank is allowing prices to drift upwards rather than to intervene to control the market. Eurobond market prices also fell.

Singapore

The Market moved sharply ahead in a large turnover, pushing the Straits Times Industrials index 19.75 higher to a record 770.94.

Dealers attributed the advance to short-covering, widespread speculative interest and a backlog of overseas orders in the aftermath of the Chinese Lunar New Year holiday.

Genting rose S$1.10 to S$11.80, United Industrial 70 cents to S$10.60, Malayan Banking S$1.10 to S$17.50, Overseas Chinese Banking S$1.30 to S$15.90 and Sime Darby 46 cents to S$4.20.

Australia

Markets put on a generally bright performance, with the Oils sector featuring strongly following news of an oil strike in the Cooper Basin. Higher Gold Bullion prices and bargain-hunting by investors who believe the market is resuming a rising phase contributed to the overall bullish trend.

The Australian All-Ordinaries index rose 7.0 to 658.3, while the Oil and Gas sub-group index advanced 35.7 to 886.5.

A reported oil flow of 3,250 barrels a day from the Cooper Basin Strzelecki No. 3 well, the largest on-shore oil flow ever recorded in Australia, sent Santos up A$1.50 to A$18.50, Crusader Oil 80 cents higher to A$6.40, after sales at A$6.70 and Vamgas 20 cents ahead to A$7.00.

Strata Oil climbed sharply to A$4.50 during the morning, but later receded to A$4.00, up cents on the day, following inconclusive report on from its Woodada No. 3 w. Its partner, Haoma Gold, however, maintained a rise of cents at A$2.80.

Woodside Petroleum, down cents last Friday on its right offer details, rallied 7 cents A$2.62, while BHP, helped by oil interests, strengthened cents to A$13.90.

Among Golds, Central Norseman, A$7.40, recouped Friday decline of 30 cents, which followed disappointing interim profits. Square Gold put on 7 cents to A$4.50 and Emperor cents to A$3.10, but GMK shed 10 cents to A$7.00. Elsewhere Western Mining gained 17 cents to A$4.80.

Hong Kong

Profit-taking caused most stock prices to decline yesterday in moderate activity on the first day of operation after the Chinese New Year holiday. The Hang Seng index receded 15.48 to 1,635.14.

The market lacked any stimulating news to maintain its recent strong uptrend, and there was probably some psychological resistance to breach the seven-year closing high for the index of 1,654.57 set on November 13 last year.

Cheung Kong shed 50 cents to HK$38.25, Swire Pacific "A" 60 cents to HK$15.20, Hutchison Whampoa 30 cents to HK$19.30 and Jardine Matheson 50 cents to HK$25.50, but HK Land hardened 10 cents to HK$12.70.

Johannesburg

The fresh advance in the Bullion price prompted Gold shares to move further ahead although in quiet trading. Randfontein climbed R3.50 to R70.00.

Mining Financials followed the Golds trend and Johannesburg Consolidated gained R2.00 to R70.00 ahead of interim results. Platinums also firmed, while other Metals and Minerals were mixed.

Indices

NEW YORK —DOW JONES

	Feb. 6	Feb. 5	Feb. 4	Feb. 3	Feb. 2	Jan. 30	1980/81 High	1980/81 Low	Since C'mpil't'n High	Since C'mpil't'n Low
●Industr'ls	952.30	946.76	941.98	941.38	932.25	947.27	1004.69 (6/1/81)	759.13 (21/4)	1051.70 (11/1/73)	41.22 (2/7/32)
H'me B'nds	65.65	65.52	64.52	65.67	65.91	65.95	76.61 (25/6)	60.56 (18/12)	—	—
Transport	405.64	404.70	400.62	396.58	392.70	402.22	425.68 (28/11)	235.69 (27/3)	425.68 (28/11/80)	12.23 (8/7/32)
Utilities	112.20	111.29	110.91	111.21	111.50	112.82	117.81 (5/1/81)	95.04 (27/3)	163.32 (20/4/69)	10.5 (28/4/42)
Trading Vol 000's	45,020	45,320	45,520	45,950	44,070	41,160	—	—	—	—

●Day's high 959.98 low 944.20

Ind. div. yield %	Jan. 30	Jan. 23	Jan 16	Year ago (approx)
	5.75	5.79	5.58	6.50

STANDARD AND POORS

	Feb. 6	Feb. 5	Feb. 4	Feb. 3	Feb. 2	Jan. 30	1980/81 High	1980/81 Low	Since Cmpil't'n High	Since Cmpil't'n Low
‡Indust'ls	146.13	146.92	145.69	145.56	143.75	146.88	160.96 (28/11)	111.03 (27/3)	160.96 (28/11/80)	3.52 (30/6/32)
§Composite	130.60	128.65	126.59	128.46	126.91	129.55	140.52 (28/11)	95.22 (13/2/80)	140.52 (28/11/80)	4.40 (1/6/32)

	Feb. 4	Jan. 28	Jan. 21	Year ago (approx)
Ind. div. yield %	4.70	4.57	4.53	4.92
Ind. P/E Ratio	9.09	9.23	9.30	8.22
Long Gov. Bond Yield	12.32	12.11	12.16	11.88

N.Y.S.E. ALL COMMON

Feb. 6	Feb. 5	Feb. 4	Feb. 3	1980/81 High	1980/81 Low
74.85	74.51	73.64	73.48	81.02 (28/11)	55.30 (22/1/80)

Rises and Falls	Feb. 6	Feb. 5	Feb. 4
Issues Traded	1,864	1,885	1,889
Rises	922	1,082	914
Falls	601	445	566
Unchanged	341	360	409
New Highs	—	43	31
New Lows	—	7	10

MONTREAL

	Feb. 6	Feb. 5	Feb. 4	Feb. 3	1980/81 High	1980/81 Low
Industrials	374.16	368.24	365.77	363.75	425.40 (29/2/80)	325.41 (27/3)
Combined	355.16	350.94	348.65	346.79	378.96 (20/10)	296.90 (27/3)
TORONTO Composite	2249.7	2252.0	2214.9	2195.9	2402.2 (28/11)	1702.5 (27/3)

NEW YORK ACTIVE STOCKS

Friday	Stocks traded	Closing price	Change on day		Stocks traded	Closing price	Change on day
Continental Air.	910,300	11¾	+ ⅞	Union Oil	444,600	58⅞	− ⅞
Amer. Airlines	700,000	11½	+ ¾	Exxon	427,300	74¾	− ⅝
General Motors	514,500	48⅞	+ ⅛	Std. Oil Indiana	390,100	69¾	—
UAL	499,000	23¼	− ⅛	Boeing	379,900	37	−2
[illegible]	496,400	64¼	+ ⅛	Gulf Western	375,400	15	+ ⅛

	Feb. 9	Feb. 6	Feb. 5	Feb. 4	1980/81 High	1980/81 Low
AUSTRALIA						
All Ord. (1/1/80)	658.3	651.3	650.1	647.0	746.2 (17/11)	509.1 (3/1/80)
Metal & Minrls. (1/1/80)	607.8	602.0	599.5	556.5	818.0 (17/11)	492.3 (28/3)
AUSTRIA						
Credit Aktien (2/1/62)	64.27	64.52	64.61	64.60	69.40 (7/1/80)	64.27 (9/2/81)
BELGIUM						
Belgian SE (31/12/63)	82.92	86.59	85.45	83.32	105.75 (11/2/80)	82.42 (7/1/81)
DENMARK						
Copenhagen SE (1/1/73)	101.79	101.43	101.05	100.68	102.21 (30/1/81)	74.78 (5/3)
FRANCE						
CAC General (29/12/61)	107.5	107.5	106.8	106.3	120.5 (5/11)	87.1 (3/1/80)
Ind Tendance (31/12/80)	99.5	99.7	99.9	98.5	100.0 (31/12/80)	95.4 (27/1/81)
GERMANY						
FAZ Aktien (31/12/58)	215.86	217.32	218.91	217.35	238.89 (25/2/80)	212.73 (28/3)
Commerzbank (Dec. 1953)	666.6	671.4	676.7	672.6	749.2 (26/2/80)	666.6 (9/2/81)
HOLLAND						
ANP-CBS General (1970)	90.0	89.5	88.8	86.6	90.0 (9/2/81)	74.0 (27/3)
ANP CBS Indust. (1970)	67.4	67.3	66.9	66.5	68.2 (11/1/80)	58.2 (28/3)
HONG KONG						
Hang Seng Bank (31/7/64)	1635.14	(c)	(c)	1650.62	1654.57 (13/11)	756.9 (19/3)
ITALY						
Banca Comm. Ital (1972)	211.19	208.27	206.84	198.65	211.93 (30/1/81)	83.11 (2/1/80)
JAPAN						
Dow Average (16/5/49)	7239.90	7264.11	7278.44	7288.41	7322.06 (2/2/81)	6475.93 (27/3)
Tokyo New SE (4/1/66)	505.95	508.34	508.99	510.40	511.84 (2/2/81)	449.01 (10/3)
NORWAY						
Oslo SE (1/1/72)	117.12	117.15	116.88	117.52	144.78 (14/2/80)	110.12 (28/5)
SINGAPORE						
Straits Times (1966)	770.94	(c)	(c)	(c)	770.94 (9/2/81)	429.75 (3/1/80)
SOUTH AFRICA						
Gold (1958)	(u)	619.9	605.3	604.8	1026.1 (22/9)	498.5 (18/3)
Industrial (1958)	(u)	543.6	541.4	540.1	669.5 (5/11)	456.0 (2/1/80)
SPAIN						
Madrid SE (30/12/80)	(c)	109.97	109.20	109.22	109.97 (6/2/81)	100.0 (30/12/80)
SWEDEN						
Jacobson & P. (1/1/58)	447.82	450.5	448.27	435.12	450.5 (6/2/81)	354.72 (17/1/80)
SWITZERLAND						
Swiss BankCpn. (31/12/58)	292.5	291.8	291.1	289.2	317.9 (11/2/80)	275.0 (28/3)
WORLD						
Capital Intl. (1/1/70)	—	154.8	154.7	155.9	164.8 (20/11)	129.5 (27/3)

Base values of all indices are 100 except Australia All Ordinary and Metals—500; NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 Industrials. § 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u unavailable.

NEW YORK | CANADA | BELGIUM (continued) | HOLLAND | AUSTRALIA | JAPAN (continued) | DENMARK | FRANCE | ITALY | NORWAY | HONG KONG | SINGAPORE | SWEDEN | GERMANY | JAPAN | SOUTH AFRICA | BRAZIL | AUSTRIA | SWITZERLAND | BELGIUM/LUXEMBOURG

Financial Rand U.S.$0.91 (Discount of 39%)

NOTES—Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

COMMODITIES AND AGRICULTURE

First offer of Soviet timber

By a Correspondent

THE FIRST schedule for the sale of Soviet softwood in the current year was circulated to timber importers at the weekend.

Exportles, the Russian state selling organisation for forest products, is offering 289,000 cubic metres for the period from first open water to August. Average prices over the five main grades appear to be reduced when compared with the last offer for 1980 which was published at the beginning of last March when the market was at its peak. Since then world softwood prices have fallen appreciably.

The current offer is complex, with price differentials for sizes and for the productions of the various mills. There is a currency clause based on SKr 10.50 to the pound sterling with price variations based on bands on either side of this datum point tied to the Bank of England Index.

The structure of the schedule indicates that Exportles is mindful that importers still have fairly heavy stocks of softwood bought last March, selective buying might present the opportunity of adjusting the cost of overall inventories.

It is thought that Russia will want to achieve total softwood sales of some 800,000 cubic metres here this year, so the opportunty is there for sellers to test the market with this schedule and return later. Importers have until February 16 to make their offers.

Russian meat output below target

MOSCOW — Soviet meat output over the last five years fell 15 per cent short of target and declined from the level achieved during the previous five years, the monthly specialist journal Meat Industry reported yesterday.

The magazine said state purchases of meat over the 1976-80 five-year plan period were only 87 per cent of the planned level and meat production was 85 per cent of the target.

The journal blamed bad weather and other unspecified reasons for the fact that industrial meat output dropped 1.4 per cent in the 1976-80 period over the 1971-75 level.

Reuter

Metals rise peters out

STRONG RISES in gold prices helped bring an early Monday sparkle throughout the London metals markets yesterday which did not last the day. Lack of follow-through buying interest in the U.S. despite the announcements of interest rate cuts, brought an easier trend in the afternoon.

Boosted by speculative buying cash copper wirebars were £10 up at the end of the morning but came back slightly to end the day £8 up at £795.

Tin prices rose by £62 for cash in the morning but finished at £5,950, a rise of only £20 on the day. The firmer trend was helped by a 550 tonnes drop last week in London Metal Exchange stocks.

Lead put on £5.25 for cash to £299.5 and Zinc £1 to £318. Aluminium futures rose £3.50 for cash in early dealings and finished £2 up at £617.

A big fall in aluminium stocks in the LME warehouses of 4,675 tonnes to 50,425 tonnes was recorded last week. Copper stocks fell 1,750 tonnes to 121,800 tonnes; tin fell 550 to 6,265 tonnes, lead rose 175 to 70,800 tonnes; zinc rose 75 to 92,550 tonnes; nickel fell 108 to 3,942 tonnes. LME silver holdings rose by 330,000 ounces to 26,550,000 ounces.

Free market platinum followed the uptrend in gold. Inspite of easing back in the afternoon, the close was still over £11 higher than Friday at £218.45 a troy ounce. The dollar equivalent rose from $484.50 to $511.

Silver was higher too. The London bullion spot quotation was raised by 23.45 to 594.8p an ounce at the morning fixing, and the market moved further ahead in the afternoon to close around 600.

Shift in world aluminium production forecast

BY ROY HODSON

A PROGRESSIVE shift in world aluminium production from north to south is forecast by the big French producer Pechiney Ugine Kuhlmann. Predicting that world growth in demand for the metal will run at about 4 per cent a year during the next five years, the group is budgeting for growth rates of 9 per cent a year in Latin America, and 7 per cent a year in Africa and Southern Asia.

As the aluminium producers link production to the world's remaining cheapest energy sources, Pechiney predicts that North America's production will fall to less than 35 per ent of total world output of the metal during the next five years. Latin America's share is expected to rise to 9 per cent, Southern Asia's to nearly 8 per cent, and Australia and the south west Pacific (Oceania) to nearly 12 per cent.

Alcan of Montreal, which is now running neck-and-neck with Alcoa of Pittsburgh to be the biggest and most profitable aluminium producer in the western world, will be a conspicious exception to the drift to the south. Mr. David Culver, president and chief executive officer of Alcan said during a flying visit to London that four new smelters in Canada are likely to underpin his future development programme. Culver's aggressive policy is to expand Alcan at a faster rate than world growth in demand for the metal—which he estimates will be below 4 per cent this year.

Alcan has rights to sufficient cheap hydro-electric resources in Canada to allow the group to build the four new smelters. They would be in addition to the group's expansion programmes in Australia and Brazil and would ensure that the basic strength of Alcan's world business would continue to rest upon Canadian hydro-power.

Pechiney, which has raised its production capacity worldwide to 1.1m tonnes a year, takes the view that there will be stagnation in the aluminium market in the first half of this year, followed by better business in the second. It estimates that primary metal shipments during the year will be between 2 per cent and 3 per cent up in North America, 7 per cent up in East Asia, and slightly lower than last year in Europe.

Rudolf Wolff, the metals trading company, in its latest annual review foresees a rise in western world demand for aluminium of around 5 per cent this year, helped by buoyant conditions in the aircraft industry and increased activity in the U.S. vehicle and canning businesses. Wolff's interpretation of better demand for aluminium is that the free market price could rise from the current

Silver shortfall to end

BY JOHN EDWARDS, COMMODITIES EDITOR

THERE HAS been a basic change in the silver market pattern of the last two decades, according to the Commodities Research Unit. A special study on the effect of the sharp silver price fluctuations on supply and demand concludes that the supply deficits of the past are not likely to reappear in the next five years.

The study claims that private holdings of silver bullion increased by more than 80 per cent in 1980 and now exceed one year's consumption of the metal required for industrial purposes, jewellery and coinage. This overhang will make it more difficult for speculative operations to drive up the price of silver as happened in 1979 and early 1980, it is noted.

At the same time the study shows that the 1979-80 boom in silver prices had a considerable impact on scrap recovery, reinforced trends towards increased mine production and a fall in the amount of silver used which was already in evidence before 1979.

Handy and Harman, U.S. refiners, in its annual silver review, stressed that in the longer term there will be no shortage of silver for future industrial needs.

The company estimated that world silver consumption last year dropped by 20 per cent. Total non-Communist world consumption in 1980 was put at 355.5m ounces, of which the U.S. accounted for 119.7m.

Sharp turnround in sugar

By Our Commodities Staff

AFTER A strong early advance which lifted nearby prices the permissible daily limit sugar prices on the London futures market turned down sharply yesterday.

Following on its £32 rise last Friday, the May position climbed to £305 a tonne at one stage but by the close it was £4.375 down on the day at £287.25 a tonne.

Dealers attributed the early rise to the continued effects of last week's rumours of further substantial Soviet buying and the subsequent fall to lack of follow through.

In the morning the London daily raw sugar price was fixed at £35 up at £285 a tonne.

The speculative buyers who bought sugar futures on the strength of the Soviet rumours began pulling out before the morning session was over and the downward pressure was boosted during the afternoon when heavy selling turned New York prices lower. Dealers said the resulting fall was exaggerated by the triggering of stoploss selling orders.

Windward Is study excludes Grenada

By Tony Cozier in Barbados

A DECISION by Britain to exclude Grenada from a commission to study the effects of hurricane damage in the Windward Islands banana industry has been criticised by Mr. George Odlum, the Foreign Minister of St. Lucia.

The commission, which will review damage done by Hurricane Allen last year and recommend methods of rehabilitation, is being established and funded by the Ministry of Overseas Development. It will visit Dominica, St. Lucia and St. Vincent but not Grenada where the Left-wing Government of Prime Minister, Mr. Maurice Bishop, seized power in March 1979 in a military coup.

Britain has already announced an aid programme to banana producers in the Windwards, but has excluded Grenada from that as well.

SPANISH CITRUS CROP

Higher returns from smaller output

BY A CORRESPONDENT

IN SPAIN, sometimes called the market garden of Europe, citrus is one of many victims of a period of drought in which the skies have remained more blue for longer than some farmers can remember. Reserves of water for irrigation, on which the national citrus crop depends, are so low that in some regions water is already being rationed and could recede to the point of disaster unless rain falls within a month.

As far as citrus fruit is concerned, however, drought has so far caused much less damage than wind and frost, which over the past two months have produced a situation in which exports for the season, normally running at around 1.75m tonnes, could be cut by 200,000 tonnes or more.

So for yet another year the possibility of achieving the magic export figure of 2m tonnes has moved beyond the country's grasp. Up to January 25, exports of 1,093,797 tonnes fell 47,346 tonnes short of last season's sales by the same date, and the deficit will grow from now on.

But this may not mean that citrus this season will earn Spain less, especially from Britain, which paid some £40m for Spanish citrus in 1979-80. The strength of sterling, and the relative advantage of this to the British market had by last season begun to lift British citrus consumption above the level at which it had stagnated for years. The trend looks like being sustained by sterling's even greater differential over the peseta for 1980-81.

> THE SPANISH government has decided to provide farmers with subsidised loans to help the country's hard-pressed agricultural sector to offset losses from the worst drought in five years.
>
> Farmers and stockbreeders have lost over 50 per cent of average production in the worst hit areas of Andalucia and Extremadura in the south, Salamanca in the west and parts of Catalonia. The national farmers association claims that frost and drought have caused $1.4bn worth of damage.

Up to the end of January, imports of Spanish citrus in the UK totalled 110,00 tonnes, compared with 107,000 tonnes for the same period 12 months earlier. Spanish sales to France, Europe's most dedicated per capita citrus eater, remained about the same, but those to Germany dropped 13 per cent to 296,000 tonnes.

In addition to the resurgence of the UK market, Spain can be consoled by the fact that nature has also been busy spoiling crops in other Mediterranean sources, including Morocco and Israel, though not, it is thought, Cyprus. Supplies for the region as a whole may be shorter than for some years. Florida's output has also been hit by freakishly cold weather.

Prices for citrus on the farm in Spain have meanwhile risen sharply in the past week or so as the deterioration of production prospects has stimulated demand on both home and export markets. A week or so ago navel oranges were being quoted at Pts 150-200 (75p-100p) for a 12.78 kg pack, while Valencias reached a record Pts 500 (£2.50).

Conditions this season have served to reduce the size of Spanish citrus fruits to below the ideal, though not, as yet, their quality. Normally such loss of size would carry a penalty in the market, but when supplies are short the fault tends to be overlooked, so, of the two factors, that are likely to predominate is scarcity, with an effect that could extend the price jumps now occurring in Spain itself to the markets of its export customers.

UK fishermen's protest grows

BY RICHARD MOONEY

THE PROTEST by UK fishermen at the flood of cut-priced Continental fish imports escalated yesterday with the number of vessels involved in the nationwide "strike" growing to an estimated 2,000.

As Common Market Fisheries Ministers sat down in Brussels to begin another attempt to conclude an EEC fisheries policy more than 200 Cornish fishermen, meeting in Newlyn, voted to add their vessels to those already tied up at English south and east coast ports and in Scotland.

The fishermen plan to keep their boats in port until Thursday at the earliest and say they will step up their action if nothing is done to keep out the imports, which come mainly from Holland.

After the Newlyn meeting at which he was elected chairman of the strike committee, Cornish inshore fisherman, Mr. David Andrew, said: "We are determined to join forces and protest to the Government at cheap imported fish that is ruining our markets."

An official of the British Fishing Federation, which represents the deep-sea fleet, said yesterday that because of limited fishing opportunities only a handful of its members' vessels were at sea anyway.

Before the Brussels meeting, Mr. Austen Laing, director general of the BFF, urged Mr. Walker to defy Community law and ban the cheap imports. "Everyone else has broken the rules," he said, "and we have told the Minister it is time the Government did something to safeguard the future of the industry."

Mr. Laing said the BFF will be holding talks with the inshore men later this week to see what support it can give to their protest.

So far the inshore fishermen have not made good their threat to blockade all British ports to keep the Continental fish from entering the country, but there have been isolated instances of blockades and pickets.

The fishermen have alleged that the Dutch are "dumping" fish in Britain

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Moved ahead on the London Metal Exchange following further gains in precious metal prices. Three months rose from £815 to £822 by the close of the morning Kerb following the fall in warehouse stocks, firm gold and a slightly easier trend in sterling, all of which encouraged persistent speculative interest. However, the lack of any follow-through in U.S. markets prompted light profit-taking in the afternoon which left forward metal at £816.5 on the late Kerb. Turnover: 71,250 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	796.5-7	+10	794.5-5.5	+8
3 months	819.5-20	+12.5	817.5-8	+8.5
Settlem't	797	+10	—	
Cathodes				
Cash	793-4	+15	791-3	+15
3 months	807.5-8	+12.7	803-4	+7
Settlem't	794	+15	—	......
U.S. Prod	—		*85	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £798, 97; three months £817, 19, 20, 20.5, 21, 21.5, 21, 20, 19, 19.5. Cathodes: Cash £798, 89, 91, 92, 93, 94; three months £808. Kerb: Wirebars: Three months £821, 20, 20.5, 21, 21.5. Afternoon: Wirebars: Three months £818, 17, 18, 17.5, 17, 17.5, 18. Cathodes: Three months £804. Kerb: Wirebars: Three months £820, 19, 18, 17.5, 17.

TIN—Up again following the gain on the Penang market, the fall in stocks and the general buoyancy of other metals. Forward metal opened at £6,075 and moved up to £6,130 in the morning rings reflecting trade buying and speculative interest. In the afternoon the market turned easier as profit-taking pared three months to £6,070 by the close of the late Kerb. Turnover: 1,325 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	5990-5	+50	5945-55	+20
3 months	6130-5	+65	6085-90	+25
Settlem't	5995	+50	—	—
Standard				
Cash	5990-5	+50	5945-55	+20
3 months	6130-5	+65	6085-90	+25
Settlem't	5995	+50	—	—
Straits E.	‡$50.45	-0.15	—	......
New York	—			

Morning: Standard: Cash £5,985, 90, 95; three months £6,100, 6,090, 6,100, 10, 20, 30. Kerb: Standard: Three months £6,130, 20, 10, 6,100. Afternoon: Standard: Three months £6,080, 70, 80, 85. Kerb: Standard: Three months £6,075, 70.

LEAD—Higher as renewed bear covering, trade buying and speculative buying lifted forward metal to a day's high of £312.5, before profit-taking and the general downturn in other metals in the afternoon prompted a close of £308.5 on the late Kerb. Turnover: 11,975 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	304-.5	+5.25	299-300	+5.25
3 months	312.5-3	+8.25	308-.5	+5
S'ment	305	+9.5	—	......
U.S. Spot	—	......	*30-2	......

Morning: Cash £304; three months £305, 08.5, 06, 06.5, 07, 08, 09, 09.5, 10, 10.5, 11, 11.5, 12, 12.5. Kerb: Three months £311, 11.5, 12, 11.5, 11, 10.5, 11, 10. Afternoon: Three months £308, 08.5. Kerb: Three months £309, 08.5, 08, 08.5.

ZINC—Little changed in routine trading which saw three months move in a £5 range prior to closing the late Kerb at £330. Turnover: 6,400 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Cash	320-1	+5.75	317.5-8.5	+1
3 months	331-2	+5.25	329-.5	+.75
S'ment	321	+5.5	—	......
Primw'ts	—	......	*41.5	......

Morning: Three months £333, 34, 35, 34.5, 34, 33, 32.5, 33, 32, 31.5. Kerb: Three months £331.5. Afternoon: Three months £332, 31.5, 31, 30, 29, 29.5. Kerb: Three months £330, 29.

ALUMINIUM—Firmer, particularly on the late Kerb when stop-loss buying lifted three months from around the £634 level to close at £638.5. Turnover: 7,675 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Spot	618-9	+5.75	616-8	+2
3 months	634.5-5	+5	633-4	+1.25

Morning: Three months £635, 35.5, 36, 35, 34.5, 35. Kerb: Three months £635. Afternoon: Three months £633, 34, 35, 34.5, 34, 33. Kerb: Three months £635, 36, 37, 38.

NICKEL—Barely changed on balance. Forward metal rose to £2,745 in the morning on light fresh buying and short-covering, but eased on profit-taking in the afternoon to close the late Kerb at £2,722.5. Turnover: 356 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
Spot	2755-75	+20	2740-50	-12.5
3 months	2745-50	+30	2725-30	......

Morning: Early-February £2,755; three months £2,730, 35, 40, 45. Afternoon: Three months £2,740, 35, 30, 25, 20, 25. Kerb: Three months £2,725.

* Cents per pound. ‡ M$ per kilo. † On previous unofficial close.

SILVER

Silver was fixed 23.45p an ounce higher for spot delivery in the London bullion market yesterday at 594.8p. U.S. equivalents of the fixing levels were: spot $13.8, up 65c; three-month $14.492, up 59.5c; six-month $14.97, up 57.1c; and 12-month $15.998, up 57.3c. The metal opened at 594p-604p ($13.9-$14.1) and closed at 593p-602p ($13.9-$14.1).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	594.80p	+23.4	600.0p	+29
3 months	613.50p	+25.3	618.5p	+30.5
6 months	628.30p	+23.3	—	......
12months	664.40p	+25.9	—	......

LME—Turnover 191 (78) lots of 10,000 ounces. Morning: Three months 613, 12, 13.5, 14, 15.5, 16.5, 16, 17, 18.5, 18. Kerb: Three months 615, 17, 18. Afternoon: Three months 608, 09, 11, 12, 14, 14.5, 15, 16, 18, 19, 18. Kerb: Three months 617, 18, 18.

COCOA

After opening £10 higher as expected, cocoa futures remained steady within a narrow trading range to close at the highs of the day. Physical business was modest with producers withdrawn from the market but scattered offtake was found among consumers in spite of steadier prices, reports Gill and Duffus.

COCOA	Yes'rday's Close	+ or —	Business Done
March	852-854	+10.5	855-850
May	879-880	+10.0	881-876
July	905-906	+7.0	906-901
Sept	927-928	+5.0	930-926
Dec	959-960	+6.0	960-955
March	983-984	+6.0	985-978
May	1003-1004	+6.5	1003-999

Sales: 2,517 (1,787) lots of 10 tonnes.

ICCO Futures—Daily price for Feb. 6: 91.31 (90.71); five-day average 91.60 (91.93).

COFFEE

An unchanged to slightly easier opening attracted very little activity as prices remained locked in a £4 range throughout the early session, reports Drexel Burnham Lambert. A featureless afternoon saw a similar pattern with dealings very light following a disappointing New York opening.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
March	981-983	-4.5	987-981
May	1001-02	-7.0	1009-02
July	1020-21	-6.0	1027-19
Sept	1052-55	-8.5	1045-33
Nov	1037-40	-7.0	1050-35
Jan	1037-47	-23.5	—
March	1035-54	-20.5	—

Sales: 710 (2,560) lots of 5 tonnes.

ICO Indicator prices for February 6. (U.S. cents per pound). Other Mild Arabicas 125.00 (124.33); Robustas ICA 1976 114.50 (same); ICA 1968 114.75 (same). Unwashed Arabicas unquoted. Comp. daily ICA 1968 unquoted.

GRAINS

The UK Monetary Coefficient for the week beginning Monday, February 16 (based on HGCA calculations using four days' exchange rates) is expected to remain unchanged.

Wheat saw a fairly quiet day, underlying buying support was noted but was not strong enough to hold values steady and losses of 15p-20p were seen on the day. Barley saw good buying support from commercial and shipper sources in reasonable trade the market held steady to close 35p-50p higher. New crops also saw good demand although trade was thin due to lack of sellers. Values closed unchanged to 15p higher on both wheat and barley, reports Acli.

WHEAT M'nth	Yesterd'ys close	+ or —	BARLEY Yesterday close	+ or —
Mar	106.60	-0.15	95.70	+0.55
May	110.80	-0.20	99.40	+0.50
July	114.75	-0.15	—	—
Sept	99.50	+0.15	93.75	......
Nov	103.25	+0.05	97.65	......
Jan	107.20	......	101.40	+0.15

Business done—Wheat: March 107.05-106.80, May 111.05-110.85, July 114.90-114.75, Sept 99.30-99.30, Nov. 103.30-103.10, Jan. 107.20-107.20. Sales: 181 lots of 100 tonnes. Barley: March 95.85-95.25, Mai 99.55-98.85, July no trade, Sept. 93.75-93.70, Nov. 97.65-97.60, Jan. 101.40-101.40. Sales: 299 lots of 100 tonnes.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No. 2 14 per cent March 112.75, transhipment East Coast seller. U.S. Hard Winter 13½ per cent March 105.50, April 107.0 transhipment East Coast seller. English feed fob Feb. 109.75, March 111.50, April/June 115.50 East Coast sellers. Maize: French Feb. 123.0 quoted transhipment East Coast. S. African Yellow March/April 87.50. Barley: English Feed fob Feb. 99.50, March 101.0, April/June 103.50 sellers East Coast. Rest unquoted.

HGCA — Locational ex-farm spot prices. Feed barley: E. Midlands 94.60, Scotland 93.30.

RUBBER

The London physical market opened quiet, and eased during the day, closing at the lows. Lewis and Peat reported an fob February price for No. 1 RSS in Kuala Lumpur of 299.5 cents a kg and SMR 20 at 257 cents.

No. 1 R.S.S.	Yest'rd'ys close	Previous close	Business Done
Mar.	56.50-57.00	53.20-59.00	—
Apr.	57.70-58.10	59.40-59.90	—
Apr-Jne	58.80-59.00	60.70-60.90	60.80-59.10
Jly-Sept	62.30-62.40	64.00-64.10	64.00-62.20
Oct-Dec	65.40-65.50	67.10-67.50	68.40-65.30
Jan-Mar	68.30-68.40	70.10-70.20	68.40
Apl-Jne	71.30-71.50	73.10-73.20	—
Jly-Sept	74.50-74.50	76.10-76.20	—
Oct-Dec	77.40-77.60	79.20-79.30	78.40

Sales: 251 (153) at 15 tonnes and none at 5 tonnes. Physical closing prices (buyer) were: Spot 56.00p (57.50p), March 60.25p (61.50p), April 60.75p (62.00p).

SOYABEAN MEAL

The London market opened with gains of 50p in dull trading conditions, reports T. G. Roddick. Prices eased on continuing concern over Russian-Polish tension and the possibility of the expansion of the U.S. embargo, the market closed with losses of £1.50. Sales: 59 (32) lots of 100 tonnes.

	Yest'rd'ys Close	+ or —	Business Done
	£ per tonne		
February	128.00-25.8	-0.50	—
April	123.10-25.5	-1.25	125.50-122.50
June	128.00-28.4	-1.15	128.50-127.00
August	128.00-28.5	-0.75	129.50
October	129.00-28.7	+0.80	129.00-128.50
December	129.80-31.5	+1.40	130.00
February	129.50-34.0	+0.75	—

Sales: 59 (32) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE (raw sugar) £285.00 (£250.00) tonne cif for Feb.-March shipments. White sugar daily price was £312.00 (£285.00).

No. 4 Con-tract	Yesterd'ys Close	Previous close	Business Done
	£ per tonne		
Mar.	280.00-90.50	284.50-85.50	298.00-78.00
May	287.00-87.50	291.50-91.75	305.00-286.0
Aug	281.60-82.00	287.00-88.00	285.50-83.00
Oct	272.00-72.50	279.75-80.00	294.00-74.00
Jan	262.00-68.00	258.00-61.00	277.50-79.00
March	251.00-52.00	258.00-59.00	271.50-51.00
May	249.50-50.50	257.00-58.00	271.50-64.00

Sales: 16,735 (16,996) lots of 50 tonnes.

Tate and Lyle ex-refinery price for granulated basis white sugar was £342.5 (same) a tonne for home trade and £372.00 (£338.50) for export.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean port. Prices for February 6: Daily price 24.82 (23.72); 15-day average 25.30 (25.37).

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order buyer, seller, business, sales). Australian cents per pound. March 483.0, 484.0, 486.0-482.5, 58; May 489.0, 490.5, 493.0-490.0, 88; July 503.0, 505.0, 507.0-502.0, 194; Oct. 500.0, 501.0, 502.5-499.0, 56; Dec. 504.0, 505.0, 506.0-502.1, 50; March 509.0, 510.0, 510.0-509.5, 5; May 516.5, 518.0, 515.0-515.0, 1; July 519.0, 521.0, 519.0-517.0, 3. Sales 455.

LONDON NEW ZEALAND CROSSBREDS—Close (in order buyer, seller, business, sales). New Zealand cents per kilo. March 347, 353, nil, nil; May 355, 360, 358-356, 4; Aug. 369, 372, nil, nil; Oct. 379, 383, 381-380, 4; Dec. 381, 384, 382, 2; Jan. 381, 386, 384-383, 2; March 383, 388, 386-385, 2; May 386, 389, nil, nil; Aug. 388, 393, nil, nil. Sales 14.

BRADFORD WOOL—Prices were generally little changed and business was quiet. Slightly weaker sterling tended to strengthen prices and the industry is also anticipating possible supply hold-ups due to the seamen's strike action.

POTATOES

LONDON POTATO FUTURES—Some interest on February moved values sharply higher, but the market was otherwise mainly featureless, reports Coley and Harper. Closing prices: Feb. 45.00 +280 (high 45.00, low 43.00); April 58.90 +30 (high 59.00, low 58.20); Nov. 56.00 +50 (high 56.10, low 55.80). Turnover: 71 (373) lots of 40 tonnes.

COTTON

LIVERPOOL—Spot and shipment sales amounted to 3 tonnes, compared with 1,089 tonnes in the previous week. Few dealings occurred, with only limited offtake. Scattered operations were directed towards Middle Eastern qualities.

JUTE

JUTE—Feb./March c and f Dundee: BWC £227, BWD £188, BTB £285, BTC £227, BTD £191. Antwerp: BWC $551, BWD $435, BTB $672, BTC $549, BTD $467. Jute goods c and f Dundee: March 40 in 10 oz £9.67, 40 in 7.5 oz £7.54. B Twill £27.58.

TEA AUCTION

LONDON TEA AUCTION—50,176 packages were offered at yesterday's auction. Assams opened firm and closed often 4p-8p dearer. Sylhets were well supported and closed 2p-4p dearer. East Africans lost 2p-5p except bright dusts. Central African dusts were strong, others tended lower at the close. Quality Ceylons were dearer, others irregular. Quotations: Quality 120p a kilo (same): Medium 98p (101p): Plain 68p (67p).

MEAT/VEGETABLES

MEAT COMMISSION—Average fatstock prices at representative markets on February 9. GB: Cattle 84.82p per kg liveweight (+0.83). UK: Sheep 181.41p per kg edcw (+20.41). GB: Pigs 67.58p per kg liveweight (+1.20).

COVENT GARDEN—Prices for the bulk of produce, in sterling per package except where otherwise stated: Imported Produce: Oranges—Jaffa: Shamoutis 50/189 4.20-5.05; Spania: Navels 48/54/60 3.60, 70 3.40, 80/90/100/112/135/150 3.20; Moroccan: Navels 56/125 3.40-3.80; Cypriot: Shamoutis 15-kg 42/112 3.00; Egyptian: 72/125 2.50. Sours—Seville: 4.50, Italian: 35-lb 3.80. Lemons—Spania: Trays 25/54 2.20-2.40; Cypriot: 10-kg 4.00-4.50; Greek: 2.40, Italian: 100/120 3.50-3.75; S. African: 80/100 6.50-7.00; Californian: 95/140 6.80-7.20; Jaffa: 105/125 6.00-6.20. Grapefruit—Cypriot: 20-kg 40/64 3.20-3.80; Jaffa: 20-kg 36 4.45, 40 4.50, 48 4.65, 56 4.30, 64 4.05, 75 3.85; Egyptian: 30/100 2.50. Satsumes—Spania: 90/105/126 2.80, 144/154 2.60, 168 2.60. Wilkings—Jaffa: 22-lb 80/90 4.20. Apples—French: Starkcrimson 40-lb 4.60-5.50, Golden Delicious 40-lb 125/175 4.20-5.00, Granny Smith 40-lb 4.80-5.60, 20-lb 72 3.00, 84 2.40, Italian: 40-lb Romes 60/70 3.80, Granny Smith 19/20-lb 60/70 2.50; Hungarian: Starking 44-lb 6.00; Canadian: Red Delicious 135/150 9.00-9.50, McIntosh Reds 180/180 7.00; U.S.: Red Delicious 9.50-10.00; Belgian: 28-lb, per pound Cox's 0.10-0.12; Dutch: 33-lb, per pound 0.11.

English Produce: Potatoes—Per bag 1.60-2.20. Mushrooms—Per pound 0.50-0.60. Apples—Per pound Bramleys 0.06-0.14, Spartans 0.10-0.14, Cox's Orange Pippins 0.10-0.22, Russets 0.10-0.16, Laxtons 0.06-0.09. Pears—Per pound Conference 0.06-0.15, Comice 0.14-0.18. Cabbages—Per bag 1.20. White cabbages 3.00. Cauliflowers—Per 12 3.00-3.20. Beetroots—Per bag 1.60-2.00. Lettuce—Per 12, round 2.00-2.20. Sprouts—Per pound 0.06-0.08. Leeks—Per 10-lb 1.50. Rhubarb—Per pound forced 0.18-0.22. Carrots—Per 28-lb 1.20-1.50. Onions—Per bag 2.70-3.20. Celery—Per pack naked 16/18 1.50-1.80. Swedes—Per 28-lb Devon 0.70-1.00. Parsnips—Per 28-lb 1.60-1.80.

*

GRIMSBY FISH—Supply, poor, demand: good. Prices at ship's side (unprocessed) per stone: Shelf cod £4.80-£6.50, codlings £2.60-£3.10; Best small plaice £3.80; Lemon soles, large £14.00-£15.00.

PRICE CHANGES

	Feb. 9 1981	+ or —	Month ago
Metals			
Aluminium	£810/815	......	£810/815
Free Mkt	$1450/1480	+25	$1460/490
Copper			
Cash w'bar	£795	+8	£762
3 mths	£817.75	+8.50	£803.75
Cash Cathode	£792	+15	£784.5
3 mths	£803.5	+7	£759
Gold troy oz	$516.5	+14	$562.5
Lead Cash	£299.5	+5.25	£301
3 mths	£308.25	+5	£312.75
Nickel	£3,226.57	......	£3,226.57
Freemkt	280/295c	......	290/305c
Platin'mtr'y oz	£202	......	£202
Freemkt	£218.45	+11.65	£229.15
Quicksilvert	$385/395	......	$355/365
Silver troy oz	594.80p	+23.45	617.70p
3 mths	613.50p	+25.05	639.80p
Tin Cash	£5,950	+20	£6,215
3 mths	£6,087.5	+25	£6,337.5
Tungsten 22.04lb	$144.72	......	$140.56
Wolfrm 22.04 lb	$148/151	......	$145/47.5
Zinc Cash	£318	+1	£330.75
3 mths	£329.25	+0.75	£343.25
Producers	$823	......	$823
Oils			
Coconut (Phil)	$605r	+5	$605
Groundnut	‡	......	‡
Linseed Crude	£400	......	£450
Palm Malayan	$625y	+7.5	$612.5
Seeds			
Copra Philip	$420	+5	$415
Soyabean (U.S.)	$314u	......	$334
Grains			
Barley Futures	£99.40	+0.50	£98.70
Maize			
French	£123	......	£121
Wheat			
No 1 Red Spg	‡	......	‡
No2 HardWint	£105.50r	-1.5	£104.25
Eng. Millingt	‡	......	‡
Other commodities			
Cocoa ship't	£939	+11	£937
Future May	£879.5	+10	£886.5
CoffeeF t'May	£1001.5	-7	£1042
Cotton A.Index	97.20c	-0.70	100.30c
Rubber (kilo)	56.00p	-1.5	58.50p
Sugar (Raw)	£285	+35	£300
Woolt'ps 64s kl	309p kilo	......	296p kilo

† Unquoted. w March. x March-April. v Feb.-March. y April. z Indicator. § Buyer. ‡ Per 75 lb flask. * Nominal.

AMERICAN MARKETS

NEW YORK, February 9.

PRECIOUS METALS rose sharply on concern about the internal Polish situation. Copper was subject to considerable trade hedging and finished lower. Commission House liquidation pushed sugar prices significantly lower when alleged Soviet massive purchases could not be confirmed. Technical selling touched off long liquidation with prices limit down. Coffee trading was very thin with markets drifting lower. Cocoa was featureless with light profit taking nudging the market lower. A massive rally in the livestock complex was based on technical buying and carried all markets limit up or sharply higher. Grains and soyabeans disintegrated under local selling with many months finishing limit down, reported Heinold.

Potatoes (round whites)—March 139.0-139.2 (142.0), April 170.2-170.7 (173.0) Nov. 88.1. Sales 1,748.

Sugar—No. 11: March 26.90-27.00 (28.25), May 27.90-27.95 (28.91), July 27.95-28.00, Sept. 26.70-26.90, Oct. 26.45-26.60, Jan. 25.90, March 24.50-24.60, May 24.35-24.45, July 24.25-24.75. Sales 14,601.

Tin—647.0-651.0 (642.0-649.0).

CHICAGO, February 9.

Lard—Chicago loose 18.50 (18.75).

Live Cattle—Feb. 63.20 (61.70), April 68.00-67.85 (67.50), June 70.50-70.65, Aug. 70.75-70.85, Oct. 69.10-69.05, Dec. 70.25, Feb. 71.25.

Live Hogs—Feb. 45.60-45.70 (45.15), April 49.05-48.95 (47.82), June 54.02-54.02, July 55.32-55.32, Aug. 54.30, Oct. 53.20, Dec. 58.20, Feb. 58.27, April 58.05.

‡‡Maize—March 357½-357¾ (367½), May 369-369½ (378), July 376, Sept 373, Dec. 373-373¼, March 383¼.

Pork Bellies—Feb. 56.85-56.90 (54.00), March 57.50-57.50 (55.30), May 59.47, July 61.45, Aug. 60.55, Feb. —.

Silver—Feb. 1405.0 (1360.0), March 1410.5 (1370.5), April 1425.0, June 1460.0, Aug. 1495.0, Oct. 1530.0, Dec 1565.0, Feb. 1600.0, April 1635.0, June 1670.0, Aug. 1705.0, Oct 1740.0, April 1845.0, June 1880.0, Aug. 1915.0.

†Soyabeans—March 737½-738 (767½), May 765¾ (795¼), July 789-788½, Aug. 798, Sept. 803, Nov. 819-819½, Jan. 839, March 859½.

§Soyabean Meal—March 213.0-213.3 (222.3), May 222.0 (231.4), July 229.0-229.3, Aug. 232.0-231.5, Sept. 235.0-235.5, Oct. 236.0-237.0, Dec. 240.0-240.5, Jan. 241.5-242.0, March —, May —.

Soyabean Oil—March 23.50-23.45 (24.27), May 24.25-24.30 (25.08), July 25.10-25.12, Aug. 25.45-25.50, Sept 25.80-25.70, Oct. 26.00, Dec. 26.70, Jan. 26.75-26.80, March 27.20-27.30, May —.

§Wheat—March 452½-452 (472), May 461½ (481½), July 454, Sept. 468, Dec. 490-490½, March 508.

WINNIPEG, February 9.

§Barley—March 152.20 (153.50), May 153.20 (156.10), July 153.20, Oct 152.20, Dec. 153.50.

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. || $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq feet. ‡ Cents per dozen. †† $ per metric ton.

EUROPEAN MARKETS

ROTTERDAM, February 9

Wheat—U.S. Two Dark Hard Winter 13.5 per cent Feb. $226, March $226, April $230, May $230. U.S. No. Two Red Winter March $218, April $220, May $220. U.S. No. Two Northern Spring 14 per cent March $239.50, April/May $220.50, May $220.50, June $220.50, July $221.50.

Maize—Spot $171.50, afloat $166, Feb $166, March $168.75, April/June $177, July/Sept. $181, Oct./Dec. $179, Jan./March $189.

Soyabeans—U.S. Two Yellow Gulfports spot fob $302.50, afloat $300, Feb. $297, March $309.75, April $320, May $324.50, June $329.75, July $332.50, Aug $334.50, Sept. $336.50, Oct. $338.40, Nov. $338.75, Dec. $345.25 option. Argentine/Brazil Gulf/Paraguay May $321, June $325, July $327 sellers.

Soyameal—44 per cent protein U.S. afloat $269.50 traded/sellers, Feb. $272, March $279, April $283, April/Sept $297, Nov./March $310. Brazil Pellets afloat $293, Feb. $303, March $305, April $309, April/June $303, April/Sept. $306 sellers.

PARIS, February 9

Cocoa (FFr per 100 kilos)—March 960-970, May 980-994, July 997, Sept 1055-1085, Dec. 1080-1100, March 1105-1125, May 1125-1145. Sales at call 0.

Sugar (FFr per tonne)—March 3545-3550, May 3441-3444, July 3400-3440, Aug. 3405-3430, Oct. 3200-3350, Nov. 3250, Dec. 3100-3200, March 3000-3120. Sales at call 44.

INDICES

FINANCIAL TIMES

Feb. 6	Feb. 5	Month ago	Year ago
256.70	254.48	262.48	309.91

(Base: July 1, 1952=100).

MOODY'S

Feb.6	Feb. 5	Month ago	Year ago
1158.9	1159.4	1220.8	1471.3

(December 31, 1931=100)

DOW JONES

Dow Jones	Feb. 6	Feb. 5	Month ago	Year ago
Spot	481.25	422.37	446.16	453.97
Fut'rs	500.85	440.44	467.60	463.11

(Average 1924-25-26=100)

REUTERS

Feb. 9	Feb. 6	M'nth ago	Year ago
1721.0	1697.5	1721.8	1866.5

(Base: September 18, 1931=100)

COMPANY NOTICES

Possibility of delay in MLR reduction cools markets
Equities more resilient than Gilts which turn soft

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Jan. 26	Feb. 5	Feb. 6	Feb. 13
Feb. 9	Feb. 26	Feb. 27	Mar. 9
Mar. 2	Mar. 12	Mar. 13	Mar. 23

* "New time" dealings may take place from 9 am two business days earlier.

An authoritative view that the eagerly-awaited reduction in Minimum Lending Rates might be delayed until next month's Budget yesterday sapped a little of the recent strength from London stock markets. Some sectors, notably Properties, retained a strong tone because investors here were more influenced by the continuing fall in short-term money market rates.

The tone was uncertain at the start of an extended trading Account which this week sees the announcements of several important economic and financial indicators, commencing with the January banking statistics today and concluding with the retail prices index on Friday. Leading shares were mostly overlooked and attention centred on weekend Press recommendations and on situation stocks.

Dividend deductions from five constituents of the FT Industrial Ordinary share index were largely responsible for this measure showing a fall of 2.7 at 10.00 am. Revived overseas buying, said to be Swiss-inspired, of **Dunlop** together with selective firmness in such as **Turner and Newall**, **Bowater**, **London Brick** and **P and O Deferred** set a recovery in motion and the index later resumed its recent advance to close 0.6 up on the day at 480.9, its highest for over two months.

With last Friday's announcement of £1bn new Government funding adding to the demands already being made on the market, the opening tendency in Gilt-edged was soft. Predictions of a sharply increased PSBR for the next financial year also caused uncertainty and some nervousness developed ahead of today's January banking figures. However, quotations rallied on small support before slipping away on disappointment with last month's wholesale input prices. Stocks in the area of the new medium tap, **Treasury 12 per cent 1986**, closed around ½ lower, as did isolated longer maturities, ahead of tomorrow's applications.

Southern Rhodesian Bonds firmed on small demand and the 4½ per cent 1987-92 assented issue added two points to £28. **Zimbabwe Settlement Annuities** moved up three points to £363.

Traded options began the week disappointingly with only 758 contracts completed compared with last week's daily average of 1,253. Among the more active issues, **Lonrho** and **Courtaulds** attracted 144 and 122 trades respectively.

New Darien Oil Trust made a quiet market debut at 100p.

Guinness Peat good

Guinness Peat featured merchant banks with a rise of 9 to 122p on buying ahead of today's interim results, while **Leopold Joseph** were also notable for a gain of 12 to 237p. The prospect of lower interest rates in the near future helped Hire Purchases, but bid hopes also helped the rise of 2¾ to 33½p in **FNFC**. **Provident Financial** put on 6 to 131p.

An otherwise uninspiring session in Breweries was enlivened by **Allied's** surprise decision to close it's Ansell's brewery in Birmingham. Allied dipped to 62p on fears of a confrontation with the unions, but rallied to end only a penny off on balance at 63½p. **Davenports** continued firmly, rising 5 more to 124p.

Leading Building descriptions again traded firmly, **Blue Circle** rising 6 to 374p and **Tarmac** 5 to 287p. Favourable Press comment helped **London Brick** to add 3 to 66p. Selected secondary issues also made progress with **Newarthill** rising 15 to 355p and **A. Monk** 3 to 26p in thin markets. A squeeze on bear positions left **Montague L. Meyer** 4 dearer at 82p. Among Paints, **International** put on 7 to 87p on speculative buying, while **Manders** improved a couple of pence to 147p. **Bett Brothers** rose 4 afresh to 58p and **Sharpe and Fisher** put on 3 to 36p on small buying.

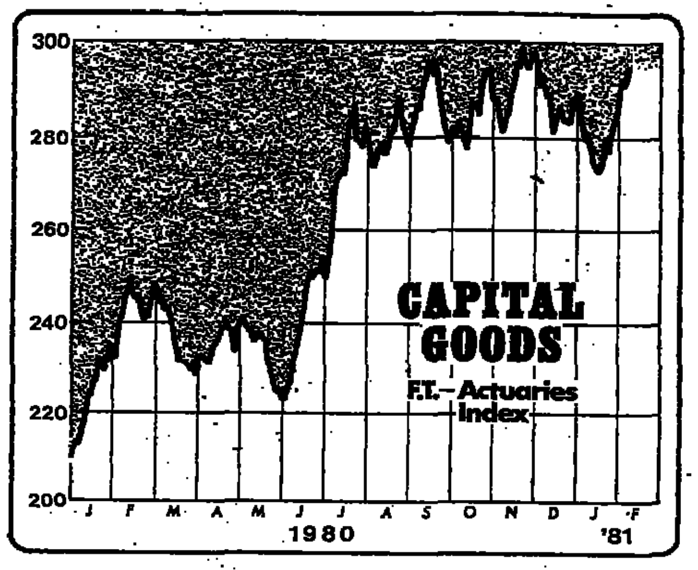
Interest in **ICI** was at a low ebb and the price softened 2 to 294p. Support was also lacking for **Fisons**, another 3 cheaper at 112p. Also in the Chemical sector, **William Ransom** shed 5 to 170p awaiting Thursday's interim results, but **Plysu** picked up 3 to 74p and **Stewart Plastics** firmed 4 to 95p xd.

Secondary Stores wanted

Leading Stores were featured by **Debenhams** which attracted a useful business in belated response to a broker's recommendation and rose 3 at 76p. **UDS** closed 2 up at 74p for a similar reason. Secondary issues encountered selective buying and **Owen Owen** rose 8 to 132p. **Elys (Wimbledon)**, 170p, and **Grant Bros.** 112p put on 10 apiece. **Peters** rallied 16 to 116p on consideration of the company's property activities, while **J. Hepworth** and **Home Charm** both firmed 6, to 100p and 103p respectively. **Austin Reed "A"** rose 4 to 84p, while bid hopes aided **Martin Ford**, 2½ better at 24p; the latter announces annual results tomorrow.

Weekend Press comment stimulated interest in **MK Electric** which closed 11 higher at 193p. **Electronic Rentals** rose 6 to 99p on the announcement that the company is to rationalise operations at its Europleasure and Dudes (UK) subsidiaries. Still reflecting continuing hopes of a bid from Tyco Laboratories and the forecast of a return to profitability, **Muirhead** added 7 more to 109p, while improvements of around 3 were seen in **BSR**, 29p, **Brocks**, 20p, and **First Castle Securities**, 91p. **Hawthorn Leslie**, on the other hand, cheapened 4 to 136p awaiting further developments in the **Starwest Investment** bid situation. **Electronic Machine** eased 2 to 46p following the interim statement.

Several firm features emerged among secondary engineerings. **G. M. Firth** were outstanding at 56p, up 13, on the announcement that the company is in discussions which might lead to its trading operations being significantly enlarged. Suspended last Tuesday at 52p, dealings in **Alcan Aluminium** resumed yesterday and the close was 110p, after 111p, following details of the Canadian parent company's 120p per share offer for the minority. In the wake of last Friday's surprise acquisition by Diamond Industries of the U.S. of a near-15 per cent stake in the company at 25p per share, **Howard Machinery** moved quietly up to 24p for a gain of 2. Awaiting a statement regarding financial support, **Duport** rallied 3 to 10p. **Johnson Firth Brown** gained 2 to 18p on Press comment. **Peter Brotherhood** stood out with a rise of 9 to 151p and **Adwest** firmed 8 to 158p.



Following the acquisition of Oriel, attention in Foods was focused on the resumption of dealings in **Argyll Foods** in ex rights form; after opening at 110p, the shares quickly rose to 120p in active trading before settling at 115p with the new nil-paid shares opening and closing at 50p premium, after 55p premium. Elsewhere in the sector, **R. Paterson** added 4 to 38p following favourable weekend Press comment, but **Associated Fisheries** lost that much, to 59p, on the liquidation of speculative positions.

Among Hotels and Caterers, **Savoy "A"** firmed 6 to 122p on the £8.5m hotel room deal, while **Seaview Hotel** rose 10 to 160p on Far-Eastern influences.

Bowater higher

Miscellaneous Industrial leaders were notable for a fresh show of strength in **Bowater** which touched 199p before closing 6 up at 198p on Canadian drilling hopes. Elsewhere, bid hopes continued to stimulate **Barget** which attained a new 1980-81 peak, of 195p before closing a net 6 up at 178p. **Central Manufacturing and Trading** rose 4 to 54p in response to news of the counter-bid, worth 55p cash, from Caparo Investments, while **William Press** added 2½ to 33p on speculative buying fuelled by revived bid hopes. **Chubb** put on 6 to 83p after Press comment, while **Howard Tenens** gained 4 to 64p and **Bardsey** 3 to 22p for a similar reason. Still reflecting relief that the Townsend Thoresen pay dispute with crewmen has been settled, **European Ferries** put on 6 afresh to 161p. **Sothebys** gained 7 to 430p and **Beatson Clark** appreciated 6 to 93p, while improvements of around 4 were seen in **Dundonian**, 68p, **C. and W. Flexello**, 33p, **Provincial**, 45½p, **Toye**, 52p, and **Grimshawe**, 32p. By way of contrast, **Manchester Ship Canal** reacted from an initial firm level of 205p to finish a net 11 down at 187p on the dismal preliminary results.

Revived takeover speculation prompted support for **Dunlop**, 4 up at 61p. Elsewhere among Motor Components, **Dowty** eased 4 to 200p ahead of Thursday's mid-term statement, while **Abbey Panels**, preliminary results expected shortly, gave up 5 to 65p.

Overseas oils feature

News items were responsible for prominence in Overseas Oils. **Strata Oil** put on 30 to 208p on the Woodada 3 well drilling report, while **Santos** jumped 77 to 912p after announcing a record Australian on-shore oil flow in the Cooper Basin; **Crusader Oil** and **Vamgas**, both associated in the latter venture, rose 20 apiece to 330p and 370p respectively. **Woodside** added 6 to 134p and **Hartogen** 20 to 445p on Australian advices. On the UK scene, **British Petroleum** edged up 6 to 414p.

Financial Trusts found support and closed with useful gains across the board. **R. P. Martin** advanced 10 to 166p in response to the substantial increase in interim profits and dividend, while **Centreway Trust** rose 14 further in a narrow market to 130p. **Yule Catto**, 95p, and **London and European**, 36p both added around 4.

Hopes of an increased offer lifted **Stag Line** 17 to 420p. Other Shippings to make progress included **P. & O.**, 2 up at 118p.

Sidlaw put on 9 for a two-day rise of 16 to 116p following the announcement that M and G Endowment and Pensions Assurance has acquired a near-9 per cent holding in the company. Other Textiles traded quietly and closed with little change although **Bond Street Fabrics** added a couple of pence to 23p.

South African industrials took on a firmer appearance and gains of around 10 were noted in **Barlow Rand**, 390p, **Abercom**, 130p, and **South African Breweries**, 139p.

The strength of the Singapore market, where the Straits Times index has attained an all-time peak, was reflected in London with good rises recorded in **DBS**, 13 up at 185p and **Genting Highlands**, 20 dearer at 235p. **London Sumatra** rose 7 to 337p and **Highlands and Lowlands** 5 to 54p. **Sime Darby** jumped 6 to 85p; the price in Saturday's issue was incorrect.

Golds up again

Mining markets made a bright start to the new Account following the sharp rise in precious and base-metal prices.

South African Golds moved ahead strongly for the fourth successive trading day with the Gold Mines index a further 14.9 higher at 340.2. The bullion price closed $14 up at $516.50 an ounce.

An initial mark up of gold share prices was folowed by good widespread buying interest from most international centres. This buying continued until just prior to the opening of U.S. markets when profit-taking set in.

The profit-taking proved to be short-lived, however, and the market resumed its uptrend to close around the day's best.

The marginals were again the star performers in Gold. **Durban Deep** and **East Rand Proprietary** moved up 82 apiece to the common price of 941p, while **West Rand Consolidated** added 14 at 154p, **Marievale** 12 to 175p and **Wit. Nigel** 8 to 81p.

Heavyweight Golds showed gains to around a point, as in **Randfontein**, £27¾, **Winkelhaak**, £13¼, and **Vaal Reefs**, £31 ex-dividend, while **Western Holdings** were particularly favoured and advanced £1¾ to £31¾.

South African Financials made good progress in sympathy with Golds. **"Amgold"** rose £2 to £40¾, **Gencor** 75 to 825p and **Middle Wits** 55 to 715p. **"Johnnies"** put on a point to £26¾ ahead of the increased profits for the half-year.

The record onshore oil flow in the Cooper Basin and the encouraging report from Woodada gave the Australian mining market a boost. Strata shareholders **Haoma Gold** and **North West Mining** were outstanding and advanced 26 to 138p and 14 to 88p respectively.

Recently depressed **Leichardt Exploration** rallied 10 to 75p, while **Western Mining** recovered 6 to 239p and **Kitchener Mining** 25 to 210p.

FINANCIAL TIMES STOCK INDICES

	Feb. 9	Feb. 6	Feb. 5	Feb. 4	Feb. 3	Feb. 2	A year ago
Government Secs.	69.17	69.30	69.33	69.47	69.39	69.26	68.39
Fixed Interest	70.66	71.13	71.12	70.99	70.95	70.97	67.02
Industrial Ord.	480.9	480.3	472.0	478.9	475.5	467.6	469.9
Gold Mines	340.2	325.3	307.6	303.6	284.8	281.3	387.5
Ord. Div. Yield	7.44	7.44	7.56	7.45	7.48	7.62	7.02
Earnings, Yld. % (full)	16.63	16.63	16.9	16.65	16.75	17.03	17.31
P/E Ratio (net) (*)	7.35	7.35	7.23	7.34	7.31	7.18	7.08
Total Bargains	23,141	22,938	21,454	22,079	21,312	21,745	28,019
Equity turnover £m.	—	131.39	121.29	127.48	122.35	108.22	117.47
Equity bargains total	—	16,668	16,896	16,502	15,749	15,399	18,353

10 am 477.6. 11 am 478.2. Noon 478.8. 1 pm 480.5.
2 pm 480.6. 3 pm 480.8.
Latest Index 01-246 8026.
*Nil = 6.79.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1980/81 High	1980/81 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	72.54 (21/7/80)	63.85 (7/3/80)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	74.08 (24/7/80)	64.70 (10/3/80)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	515.9 (21/11/80)	406.9 (3/1/80)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	558.9 (22/9/80)	365.5 (18/3/80)	558.9 (22/9/80)	43.5 (28/10/71)

S.E. ACTIVITY

	Feb. 9	Feb. 6
—Daily		
Gilt Edged	101.0	116.2
Industrials	98.0	100.8
Speculative	39.5	44.5
Totals	67.8	70.0
5-day Avrge.		
Gilt Edged	129.2	134.5
Industrials	100.3	96.8
Speculative	35.7	33.3
Totals	70.4	69.0

NEW HIGHS AND LOWS FOR 1980/81

The following shares quoted in the Share Information Service yesterday attained new Highs and Lows for 1980-81.

NEW HIGHS (59)

BANKS (1)
Joseph (Leo.)

BUILDINGS (7)
Aberdeen Construc — French Kier
Bett Brothers — Lovell (Y. J.)
Douglas (R. M.) — Newarthill
Finlan (John)

CHEMICALS (1)
Int. Paint

STORES (1)
Peters Stores

ENGINEERING (5)
Alcan Aluminium (UK) — Firth (G. M.)
Brotherhood (Peter) — Howard Machinery — Northern Eng.

FOODS (5)
Argyll Foods — Lennons
Belam — Northern Foods
Hinton (A.)

INDUSTRIALS (4)
Barget — Monsanto 5pc
Hanson Trust 6½pc Cnv. — Trafalgar House

INSURANCE (1)
Sun Life

PROPERTY (16)
Apex Props. — North Brit. Props.
Avenue Close — Prop. Sec. Inv
Fairview Estates — Raglan Prop.
Hammerson A — Regional Prop.
Kent (M. P.) — Regional Prop. A
Land Securities — Rosehaugh
Lon. & Prov. Shop — Stock Conversion
Lon. Shop Prop. — Winston Estates

SHIPPING (3)
Lyle Shipping — Reardon Smith A
Reardon Smith

TEXTILES (3)
Corah — Notts. Manufacturing
Levex

TRUSTS (7)
Berry Trust — M. & G. Hlds.
Murray Minor Inv. — Martin (R. P.)
Murray Minor Inv. B — Parambe
Stockholders Inv.

OIL & GAS (1)
Gas & Oil Acreage

OVERSEAS TRADERS (2)
Paterson Zochonis A — Sime Darby

MINES (2)
Supreme Corp. — SPO Minerals

NEW LOWS (16)

BRITISH FUNDS (1)
Ex. 12pc Cv. '85 (£40 pd.)

CHEMICALS (1)
Ransom (Wm.)

ENGINEERING (3)
Barton & Sons — Wood (S. W.)
Cohen (A.)

INDUSTRIALS (5)
Brown Boveri Kent — Pentos Defd.
Kalamazoo — Platignum
Pentos

MOTORS (1)
Abbey Panels

NEWSPAPERS (1)
Bemrose? Brothers

TRUSTS (1)
Kakuzi

OIL & GAS (1)
Hansa Petroleum

MINES (2)
Northgate — RTZ 9½pc Ln.

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	5	73	16
Corpns., Dom. and Foreign Bonds	12	9	44
Industrials	361	151	877
Financial and Prop.	186	42	272
Oils	42	3	76
Plantations	11	—	12
Mines	96	13	58
Others	60	30	61
Totals	773	321	1,363

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1980-81 high	1980-81 low
Argyll Foods	10p	11	115xr	—	120	33½
Lonrho	25p	9	103xd	+ 2	120	72
Bowater	£1	8	198	+ 6	214	141
Allied Breweries	25p	6	63½	— 1	89	62
Charter Cons.	2p	6	210	+ 5	280	134
GEC	25p	6	635xd	+ 3½	635	326
Sime Darby	$M0.50	6	85	+ 6	85	55
De Beers Dfd.	R0.05	5	372	+ 9	553	340
Duport	25p	5	10	+ 3	58	7
First Nat. F'nce	10p	5	33½	+ 2¾	34¾	9½
ICI	£1	5	294	— 2	402	282
Premier Cons.	5p	5	104	+ 5	127	36
Ultramar	25p	5	493	+ 6	533	206
Beecham	25p	4	180	—	180	108
Dunlop	50p	4	61	+ 4	85	51

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Feb. 2	Feb. 13	May 14	May 26
Feb. 16	Feb. 27	May 28	June 8
Mar. 9	Mar. 20	June 11	June 22

For rate indications see end of Share Information Service

Money was given for the call in Grand Metropolitan, Vlakfontein, Burmah, Premier Oil, FNFC, Dunlop, Phicom, Automotive Products, Woodside, Loraine, ICL, Euro Ferries, Town and City Properties, Duport and Phoenix Timber. A put was taken out in Erskine House, while doubles were completed in FNFC and BSG.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Mon., Feb 9, 1981 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Fri., Feb. 6 Index No.	Thurs., Feb. 5 Index No.	Wed., Feb. 4 Index No.	Tues., Feb. 3 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (211)	295.16	+0.5	14.15	5.59	8.62	293.80	290.35	293.25	292.66	246.88
2	Building Materials (26)	264.03	+1.2	17.72	6.54	6.73	260.87	258.61	258.79	257.13	241.48
3	Contracting, Construction (26)	455.84	+1.0	20.01	5.57	6.00	451.53	443.87	445.04	441.03	368.39
4	Electricals (27)	982.09	−0.1	8.92	2.66	13.86	982.68	962.21	978.31	982.22	628.47
5	Engineering Contractors (11)	392.95	+0.8	15.17	6.58	8.40	389.64	390.85	393.86	393.23	297.31
6	Mechanical Engineering (71)	171.00	—	17.11	7.78	7.31	170.94	170.12	171.26	169.83	170.86
8	Metals and Metal Forming (13)	135.75	+1.9	19.43	12.30	6.53	133.25	131.73	133.45	133.39	168.51
9	Motors (21)	87.61	+1.1	21.91	9.53	5.26	86.62	86.20	87.04	87.03	115.48
10	Other Industrial Materials (16)	292.34	+0.8	15.68	7.34	7.58	289.99	291.61	293.36	291.39	0.00
21	CONSUMER GROUP (198)	245.34	—	15.53	6.44	7.81	245.24	243.04	245.18	242.86	221.17
22	Brewers and Distillers (20)	263.18	−1.0	17.71	6.95	6.69	265.85	265.53	269.75	265.32	254.60
25	Food Manufacturing (23)	218.84	−0.1	17.97	7.24	6.61	219.10	218.48	219.26	216.97	206.41
26	Food Retailing (14)	471.48	+1.0	9.82	3.40	12.03	466.92	464.62	464.34	458.72	303.19
27	Health and Household Products (7)	264.48	−0.1	10.06	5.39	11.82	264.73	261.58	267.64	265.74	215.62
29	Leisure (22)	347.73	−0.4	16.08	6.58	7.67	349.19	347.48	350.69	348.81	300.05
32	Newspapers, Publishing (12)	435.79	—	20.94	7.16	6.20	435.99	433.12	437.03	434.18	452.15
33	Packaging and Paper (15)	118.88	+2.1	26.86	10.21	4.31	116.41	115.22	115.63	115.06	132.04
34	Stores (44)	259.00	+0.1	11.49	4.86	11.40	258.86	254.42	256.92	255.49	219.61
35	Textiles (21)	130.56	+1.0	19.68	10.33	6.64	129.31	129.13	129.91	128.11	133.91
36	Tobaccos (3)	221.98	+1.0	25.86	10.49	4.40	219.89	216.43	215.35	212.38	211.29
39	Other Consumer (17)	234.04	+0.7	16.29	9.04	7.51	232.40	231.29	231.28	232.22	0.00
41	OTHER GROUPS (79)	214.48	−0.1	18.32	7.96	6.53	214.69	213.39	214.19	212.32	211.76
42	Chemicals (15)	279.16	−0.8	20.93	9.51	5.59	281.42	277.38	280.47	276.87	312.81
44	Office Equipment (6)	101.13	−1.5	18.41	8.21	6.44	102.66	102.54	102.12	101.74	121.57
45	Shipping and Transport (13)	558.86	+1.6	13.60	6.59	9.02	550.18	546.59	545.52	542.72	462.21
46	Miscellaneous (45)	261.56	+0.5	16.94	6.51	7.26	260.27	261.17	260.86	259.24	250.75
49	INDUSTRIAL GROUP (488)	258.71	+0.2	15.41	6.34	7.86	258.26	255.79	257.98	256.25	232.51
51	Oils (12)	883.73	+0.9	27.17	5.95	4.10	875.98	875.69	885.95	882.00	830.98
59	500 SHARE INDEX	308.20	+0.3	18.04	6.25	6.53	307.18	304.87	307.69	305.78	279.60
61	FINANCIAL GROUP (118)	241.84	+0.5	—	5.54	—	240.54	240.34	240.98	239.66	200.44
62	Banks (6)	228.78	—	44.72	7.46	2.68	228.71	229.32	229.83	230.66	232.05
63	Discount Houses (10)	305.12	−0.9	—	[illegible]	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
64	Hire Purchase (5)	218.16	+0.3	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
65	Insurance (Life) (10)	[illegible]	[illegible]	—	[illegible]	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
66	Insurance (Composite) (9)	153.95	—	—	[illegible]	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
67	Insurance Brokers (9)	311.51	+0.7	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
68	Merchant Banks (13)	148.77	+0.6	—	[illegible]	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
69	Property (45)	482.10	+1.5	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
70	Miscellaneous (11)	172.17	+1.0	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
71	Investment Trusts (109)	277.51	+0.4	—	[illegible]	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
81	Mining Finance (3)	201.31	+0.3	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
91	Overseas Traders (20)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
99	ALL-SHARE INDEX (750)	293.34	+0.3	—	[illegible]	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST PRICE INDICES

	British Government	Mon., Feb. 9	Day's change %	Fri., Feb. 6	xd adj. today	xd adj. 1981 to date
1	Under 5 years	107.27	−0.06	108.02	0.49	[illegible]
2	5-15 years	[illegible]	[illegible]	[illegible]	—	[illegible]
3	Over 15 years	[illegible]	[illegible]	[illegible]	—	[illegible]
4	Irredeemables	[illegible]	[illegible]	[illegible]	—	[illegible]
5	All stocks	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST YIELDS
British Govt. Av. Gross Red.

			Mon., Feb. 9	Fri., Feb. 6	Year ago (approx.)
1	Low Coupons	5 years	[illegible]	[illegible]	[illegible]
2		15 years	[illegible]	[illegible]	[illegible]
3		25 years	[illegible]	[illegible]	[illegible]
4	Medium Coupons	5 years	[illegible]	[illegible]	[illegible]
5		15 years	[illegible]	[illegible]	[illegible]
6		25 years	[illegible]	[illegible]	[illegible]
7	High Coupons	5 years	[illegible]	[illegible]	[illegible]
8		15 years	[illegible]	[illegible]	[illegible]
9		25 years	[illegible]	[illegible]	[illegible]
10	Irredeemables		[illegible]	[illegible]	[illegible]

		Mon., Feb. 9 Index No.	Yield	Friday Feb. 6	Thurs. Feb. 5	Wed. Feb. 4	Tues. Feb. 3	Mon. Feb. 2	Friday Jan. 30	Thurs. Jan. 29	Year ago (approx)
15	20-yr. Red. Deb. & Loans (15)	52.07	14.22	52.13	52.15	52.14	52.12	52.17	52.15	52.06	51.28
16	Investment Trust Prefs. (15)	50.64	13.37	50.69	50.69	50.69	50.69	50.69	50.69	50.69	47.82
17	Coml. and Indl. Prefs. (20)	68.32	13.14	68.27	68.32	68.18	68.09	68.04	68.04	67.92	61.86

† Redemption yield. Highs and lows record base dates and values and constituent changes are published in Saturday issues. A new list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 25p.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1980/81 High	1980/81 Low	Stock	Closing Price p	+ or −	Div.	Times Covered	Gross Yield	P/E Ratio
[illegible]											

FIXED INTEREST STOCKS

Issue Price £	Amount Paid Up	Latest Renunc. Date	1980/81 High	1980/81 Low	Stock	Closing Price £	+ or −
[illegible]							

"RIGHTS" OFFERS

Issue Price p	Amount Paid Up	Latest Renunc. Date	1980/81 High	1980/81 Low	Stock	Closing Price p	+ or −
[illegible]							

Renunciation date usually last day for dealing free of stamp duty. [illegible]

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

Frankfurt Trust Investment—GmbH
Neue Mainzer Strasse 74-76, D-6000 Frankfurt
FT-Interzins | DM37.37 | 41.06 | ..... | —
Frankft. Effekt. Fd. | DM49.89 | 52.52 | ..... | —

Free World Fund Ltd.
Butterfield Bldg., Hamilton, Bermuda.
NAV Dec. 31 | US$145.99 | ..... | —

G.T. Management Ltd.
Park Hse., 16 Finsbury Circus, London EC2
Tel: 01-628 8131. TLX: 886100
London Agents for:

	Bid	Offer	+ or −	Yield
Anchor 'B' Units	US$1.74	1.79	.....	1.21
Anchor Gilt Edge	£9.19	9.25	−0.03	13.73
Anchor Int. Fd.	US$8.49	8.71	.....	1.21
Anchor In. Jsy. Tst	39.9	42.4	.....	2.81
Berry Pac Fd.		US$62.00	.....	0.89
Berry Pac Strlg	£3.31	3.4632	.....	1.20
G.T. Asia Fd.		HK$21.26	+0.17	1.18
G.T. Asia Sterling	£26.79	27.89	+0.65	1.49
G.T. Australia Fd.		A$35.93	.....	0.81
G.T. Bond Fund		US$12.00	.....	10.83
G.T. Dollar Fd.		US$12.51	.....	1.20
G.T. Dir. (Strlg.) Fd	13.16	13.71	.....	1.14
G.T. Invest. Fd.		US$17.61	+0.10	0.57

Kleinwort Benson Group
20, Fenchurch St., EC3. 01-623 8000

	Bid	Offer	+ or −	Yield
Guernsey Inc.	84.6	89.7	.....	5.33
Do. Accum.	114.5	121.4	.....	5.33
K.B. Eurobond Fd	£8.85	8.96	.....	9.92
K.B. Far East Fd.		US$26.30	.....	1.52
K.B. Gilt Fund	£9.72	9.79	.....	12.52

Save & Prosper International
Dealing to
P.O. Box 73, St. Helier, Jersey 0534 73933
Fixed Interest Funds

	Bid	Offer	+ or −	Yield
Deutschmark Bd.	DM9.07	9.65	.....	5.70
Dir. Fxd. Int.	US$7.87	8.39	.....	8.98
St. Fixed	105.9	112.1	.....	12.48

[illegible]

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury 0296 5941

Abbey Amer. Gth. Tst.	56.3	60.5	+0.3	2.39
Abbey Capital	44.5	48.1	+0.2	3.89
Abbey General	54.2	58.4	+0.1	5.24
Abbey Gilt & F.I. Tst.	105.9	111.5		11.75
Abbey Income	33.0	35.7	+0.1	9.15
Abbey W'Wide Bd Tst.	91.8	97.1	-0.2	6.90
Abbey Inv. Tst. Fd.	47.8	51.2	+0.1	4.91
Equitas Prog. Tst.	77.6	80.5	+0.2	4.47

Allen Harvey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314

AHR Gilt Trust	85.5	90.9	-3.5	12.75

Allied Hambro Ltd. (a) (g)
Hambro Hse., Hutton, Brentwood, Essex. 01-588 2851 or Brentwood (0277) 211459

Balanced Funds				
Allied 1st	86.5	92.4	+0.4	6.23
Brit. Inds. Fund	79.2	85.5	+1.0	6.63
Growth & Income	48.9	52.3	+0.3	5.16
Elect. & Ind. Dev.	42.7	45.7	+0.3	5.47
Allied Capital	94.4	101.0	+0.4	4.36
Hambro Fund	128.5	137.5	+0.8	6.25
Hambro Acc. Fund	177.7	190.1	+1.7	5.79
Income Funds				
High Yield Fd.	60.2	64.4	+0.4	9.32
High Income	82.3	88.1	+2.5	7.21
Equity Income Fd.	43.5	46.5	+0.1	7.90
Govt. Secs.	25.4	26.1	-0.1	11.88
International Funds				
International	33.8	35.9	+0.1	2.27
Japan Fund		25.0		0.25
Pacific Fund	63.7	68.2	-0.3	1.20
Secs. Of America	69.5	74.3	+0.4	2.14
Specialist Funds				
Smaller Co.'s Fd.	53.6	57.4	+0.8	4.35
2nd Smlr. Co's Fd.	64.8	69.3	+0.3	4.35
Recovery Sits.	133.4	142.3	+1.2	5.35
[illegible]				

Craigmount Unit Tst. Mgrs. Ltd.
Bucklersbury, London EC4N 8BD. 01-248 4984

High Income	34.7	37.9	+1.1	12.00
North American	59.6	64.4	+0.4	2.62
Canadian Exempt*	62.6	67.7		2.64
Canadian Trust	64.1	69.2	+1.0	2.58
Mid Mount High Inc.*	45.9	48.6		9.95
Recovery	58.5	63.9	+0.4	6.73
Gilt Trust	42.2	44.2	-0.1	13.18

*Weekly dealing day Wednesday.

Crescent Unit Tst. Mngrs. Ltd. (a)(g)
4 Melville Cres., Edinburgh 3. 031-226 4931

Cres. Amer. Fd.	39.1	42.2	+0.6	0.89
Cres. Internat'l.	74.5	80.4	-0.2	1.79
Cres. High. Dist.	40.8	44.0		11.08
Cres. Reserves	48.0	51.8	+0.1	5.55
Cres. Tokyo	30.9	33.3	-0.3	0.94

Darlington Unit Trust Mngt. Ltd.
Bridge Chambers, Barnstaple, Devon 0271 76324

Total Perf. Unit Tst.	24.2	25.6		10.27

Discretionary Unit Fund Managers
36/38 New Broad St, EC2M 1NU. 01-638 4485

Disc. Inc. Feb. 6	225.3	240.3		5.49

E. F. Winchester Fund Mngt. Ltd.
46, Bloomsbury Square, WC1A 2RA 01-623 8893

Great Winchester	17.6	19.4	+0.8	7.29
Gt. Winchester O'seas	26.0	28.9	+1.0	3.68

Emson & Dudley Tst. Mngmnt. Ltd.
20, Albemarle St., W1. 01-493 3211

Emson Dudley Tst.	84.9	91.3		6.00

Equity & Law Un. Tr. M. (a)(b)(c)
Amersham Rd., High Wycombe. 0494 33377

Equity & Law	86.7	91.2	+0.6	4.77

Fidelity International Management Ltd.
62-63 Queen St, London EC4 1AD. 01-248 4991

American (z)	32.7	35.2	+0.4	0.81
Amer. Spec. Sits. (z)	24.4	26.3	+0.3	0.41
Gilt + Fixed Int.	24.9	26.9	+0.2	12.09
Growth + Income	29.8	32.1	+0.2	7.38
Maximum Inc. Eq. Tst.	25.3	27.3	+0.1	9.36
Special Sits.	37.7	40.6	+0.6	1.95

James Finlay Unit Trust Mngt. Ltd.
10-14, West Nile Street, Glasgow. 041-204 1321

J. Finlay Internat'l.	35.1	37.7		2.36
Accum. Units	43.5	46.8		2.36

M & G Group
Three Quays, Tower Hill, EC3R 6BQ. 01-626 4588

[illegible]

INSURANCE PROPERTY BONDS

[illegible]

OFFSHORE & OVERSEAS FUNDS

[illegible]

Continued on previous page

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

1980-81 High	Low	Stock	Price £	+ or —	Yield Int.	Red.
103¾	92¼	Treas. 13pc 2000	94⅝	......	13.87	13.93
110⅝	94⅞	Treas. 14pc '98-01	102⅝	......	14.06	14.06
97½	81¾	Exch. 12pc '99-02	88¼	—⅛	13.69	13.81
108⅝	91¾	Treas. 13¾pc 2000-03	99	—⅛	13.97	13.99
97	78⅞	Treasury 11½pc '01-04	89⅜	—¼	13.55	13.67
42¼	34⅜	Funding 3½pc '99-04	39⅜	......	8.94	10.57
102	86⅝	Treasury 12½pc '03-05	94¼	—⅛	13.66	13.70
72⅞	59¾	Treasury 8pc '02-06‡‡	68⅜	—⅛	12.20	12.50
96½	80¼	Treasury 11¾pc 03-07	87½	—⅛	13.52	13.59
92¾	86¼	Do. 'A'	88¼	—¼	13.58	13.63
109	94½	Treas. 13½pc '04-08	102⅝	—¼	13.83	13.84
53¼	42⅞	Treasury 5½pc '08-12‡‡	48xd	—⅛	11.35	11.71
70¼	57½	Treasury 7¾pc '12-15‡‡	63½	—¼	12.26	12.39
101½	85¼	Exch. 12pc '13-'17	92⅞	—¼	13.20	13.20

Undated

1980-81 High	Low	Stock	Price £	+ or —	Yield Int.	Red.
34⅞	29	Consols 4pc	31⅞	—⅛	12.59	—
33¾	28⅞	War Loan 3½pc‡‡	31¼	—⅛	11.45	—
37¾	32¾	Conv. 3½pc '61 Aft.	37⅛	—⅛	9.69	—
25⅞	21⅝	Treasury 3pc 66 Aft.	24⅞	—⅛	12.59	—
22⅞	19½	Consols 2½pc	21	—⅛	12.05	—
22	17⅝	Treasury 2½pc	20⅞	—⅛	12.52	—

INTERNATIONAL BANK

1980-81 High	Low	Stock	Price £	+ or —	Yield Int.	Red.
88¼	78	5pc Stock '77-82	88¼	......	5.67	13.78

CORPORATION LOANS

1980-81 High	Low	Stock	Price £	+ or —	Yield Int.	Red.
97¾	83⅝	Bath 11¼pc 1985	92½	......	12.18	13.46
98¼	89½	Birm'ham 12½pc 1985	96¾	—¼	12.92	13.48
102¾	90	Burnley 13pc 1987	99¾	......	13.33	13.59
95¼	82¾	Cardiff 11pc 1986	93¾	......	12.13	13.36
99¼	93	G.L.C. 12½pc '82	99⅛	......	12.61	13.25
98¾	90¼	Do. 12½pc 1983	97¼	—¼	12.79	13.61
93¾	84¾	Glasgow 9¼pc '80-82	93¾	......	9.86	13.30
77	64½	Herts 6¾pc 1985-87	74	......	9.12	12.76
90¾	81¼	Liverpool 9½pc '80-84	90¼	—¼	10.80	13.52
27	24	D. 3½pc Irred.	25¼	......	14.00	—
100¼	92¼	Lon. Corp. 13¼pc '83	99¼	—¼	13.35	13.56
94	79¼	Do. 9¼pc '84-85	88¼	......	10.47	12.64
95¾	83½	L.C.C. 5½pc '77-81	95¾	......	5.74	12.89
80½	71	Do. 5½pc '82-84	79¼	......	6.94	13.17
71¼	60½	Do. 5½pc '85-87	69¾	......	7.98	12.78
71¼	60¾	Do 6¾pc '88-90	68½	......	9.91	12.64
24	21	Do. 3pc '20 Aft.	23¼	......	12.99	—
97½	87¼	Sunderland 12¼pc 1984	96	—¼	12.76	13.58

COMMONWEALTH AND AFRICAN LOANS

1980-81 High	Low	Stock	Price £	+ or —	Yield Int.	Red.
94¾	82¼	Aust. 5½pc '81-82	94¾	......	5.92	13.29
85⅜	72½	Do. 6pc 1981-83	85¼	......	7.13	12.83
67¾	58	N.Z. 7¼pc 1988-92	65¼	+¼	11.22	13.39
82¼	72	Do 7½pc '83-86	79	+¼	9.62	13.37
98	88	Sth. Africa 9½pc '79-81	98	......	9.94	15.96
160	95	S. Rhod. 2½pc Non-Ass.	121	......	—	—
50	31	Do. 3½pc 80-85 Assd	47	+2	7.80	24.00
32	20½	Do 4½pc 87-92 Assd.	28	+2	17.47	23.80
361	270	Zimbabwe Ann (£100pd)	363	+3	—	25.22

LOANS

1980-81 High	Low	Stock	Price £	+ or —	Yield Int.	Red.
		Public Board and Ind.				
64½	56½	Agric. Mt. 5pc '59-89	63	......	7.99	12.26
84	73½	Alcan 10½pc '89-94	77½	......	15.12	16.20
30	25	Met. Wtr. 3pc 'B'	28¼xd	......	10.54	12.75
104½	89	U.S.M.C. 9pc 1982	102	......	8.95	—
94	85½	Do. without Warnts.	94	+½	9.76	15.00
		Financial				
101½	93½	FFI 14pc '83	100½	......	13.93	13.76
91½	79½	FFI(UK Fn)5½pcDb. '80-2	88½xd	+¼	6.19	13.69
82½	71½	Do. 6¼pcDb. '81-84	81½	......	7.80	13.00
93	80½	Do. 10½pc Uns.Ln. '86	89½	......	11.86	13.70
92½	77	Do. 11pc Uns.Ln. '88	88½	......	12.57	13.46
96	82	Do. 11¾pc Uns.Ln. '90	89½	......	13.29	14.10
101	84½	Do. 12½pc Un. Ln. 1992	88½xd	+⅛	14.12	14.60
67	56	Do. 7¼pcADeb. '89-92	62½	+½	11.92	14.20
66½	51½	Do. 7¼pcADeb. '91-94	59½xd	+1⅛	12.18	14.08
76½	64½	Do. 9pc 'A' '91-94	68xd	+½	13.23	14.45
71½	61	Do. 8⅞pcLn. '92-97	66xd	......	13.44	14.20

FOREIGN BONDS & RAILS

1980-81 High	Low	Stock	Price £	+ or —	Div. % Gross	Red. Yield
82	43	Antofagasta Rly.	62½	......	—	—
55	50	Do. 5pc Pref.	55	......	—	—
98	98	Chilean Mixed	98	......	3	13.10
58	18	Chinese 4½pc 1898	25	—2	—	—
45	17	Do. 5pc 1912	22	......	—	—
24	11	Do. 5pc 1913	16	—½	—	—
24	11	Do. 5pc '25 Boxer	13	—½	—	—

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MINES—Continued

Australian

1980-81 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Yld Gr's
37	21	Acmex 50c	37	......	Q2.5c	—	3.4
28	12	ACM 20c	17	......	—	—	—
19	14	Argosy Gold NL 25c	15½	+1	—	—	—
*199	46½	Bond Corp.	150	−2	Q7.5c	1.9	2.5
156	80	Bougainville I Kina	83	+1	[illegible]	1.0	16.3
*350	221	CRA 50c	240	......	tQ15c	2.1	3.1
25	11½	Canada Northwest	19	......	—	—	—
42	8	Carr Boyd 20c	22	......	—	—	—
545	152½	Central Pacific	307	+7	—	—	—
36½	9¼	Cons. Gold Min. N.L. 50c	35	......	—	—	—
47	17	Coelus Pacific N.L.	44	+3	—	—	—
52	20	Eagle Corp. 10c	30	......	—	—	—
41	15¼	Endeavour 20c	35½	+1	—	—	—
600	175	G. M. Kalgoorlie 25c	360	+5	tQ13c	ϕ	0.4
46	13	Great Eastern	14	+1	—	—	—
*275	117	Hampton Areas 10p	235	+5	12.5	2.4	1.5
*168	30	Haoma Gold N.L.	138	−26	—	—	—
95	15	Intl. Mining	63	−3	—	—	—
390	11	Kitchener NL 25c	210	+25	—	—	—
720	65	Leichardt Expln.	75	+10	—	—	—
500	300	Meekatharra	365	+5	—	—	—
48	7	Metals Energy	16	......	—	—	2.6
91	41	Metals Ex. 50c	54	+1	§Q3c	2.9	2.5
39	8½	Metramar Mns. 20c	25	......	—	—	—
284	150	M.I.M. Hldgs. 50c	200	+2	[illegible]	1.7	‡
26	7	Minefields Expl. 25c	15½	−½	—	—	—
155	60	Mount Lyell 25c	84	......	tQ15c	1.7	9.8
28	15	Newmetal 20c	18	......	—	—	—
69	13	Nickelore N.L.	56	......	—	—	—
214	137	North B. Hill 50c	160	+2	Q18c	3.1	5.6
*106	31	Nth. Kalgurli	63	+3	—	—	—
165	90	Nth. Mining Corp.	98	+2	—	—	—
*144	24	N. West Mining N.L.	88	+14	—	—	—
*132	52	Oakbridge 50c	117	+2	tQ12c	1.1	5.0
200	70	Oilmin N. L.	138	−12	—	—	—
240	128	Pacific Copper	174	+4	—	—	—
620	255	Pancont'l 25c	525	......	—	—	—
78	42	Paringa M&Ex. 5p	49	......	—	—	—
625	335	Peko-Wallsend 50c	415	......	tQ17.5c	ϕ	2.1
230	85	Seltrust A	95	......	—	—	—
206	57½	Southern Pacific	117	+7	—	—	—
100	31	Swan Resources 20c	59	......	—	—	—
34	8	West Coast 25c	15½	+1	—	—	—
332	177	Westn. Mining 50c	239	+6	Q14c	1.6	2.9
45	10	Westmex	24	......	—	—	—
108	54	Whim Creek 20c	54	−4	—	—	—
101	10½	York Resources	85	+1	—	—	—

Tins

High	Low	Stock	Price	+ or −	Div. Net	C'vr	Yld Gr's
25	10	Amal Nigeria 1p	12	−2	‡16.0	—	—
370	255	Ayer Hitam SM1	275	......	Q205c	1.0	14.4
72	42	Beralt Tin	67	......	4.5	3.2	9.6
308	149½	Berjuntai SM1	270	......	Q85c	ϕ	6.3
230	135	Geevor	155	+5	‡8.4	1.9	‡
12½	8½	Gold & Base 12½p	8½	......	—	—	—
810	310	Gopeng Cons.	660	......	221.0	ϕ	4.5
450	280	Hongkong	415	......	‡35.87	ϕ	‡
145	90	Idris 10p	125	......	26.0	ϕ	6.9
15	12½	Jantar 12½p	14	......	1.5	ϕ	15.3
118	64	Kamunting SM0.50	98	......	‡Q90c	1.0	‡
600	150	Killinghall SM1	600xd	+9	Q100c	ϕ	3.2
128	48½	Malay Dredging 10c	114#	......	[illegible]	0.9	6.4
42	26	Pahang	38	+2	0.44	8.3	1.7
120	83	Pengkalen 10p	100	......	3.5	ϕ	5.0
415	230	Petaling SM1	370	......	Q160c	ϕ	9.4
44	18	South Crofty 10p	20	......	‡1.0	ϕ	‡
305	210	Sungei Besi SM1	210	......	‡Q450c	1.1	‡
115	22½	Supreme Corp. SM1	115	+5	[illegible]	ϕ	2.6
125	90	Tanjong 15p	117	......	21.5	ϕ	1.9
115	78	Tongkah H. Tin $M1	85	......	Q23c	0.4	5.4
480	220	Tronoh SM1	400	......	‡Q250c	0.7	‡

Copper

High	Low	Stock	Price	+ or −	Div. Net	C'vr	Yld Gr's
260	130	Messina R0.50	185	......	Q45c	4.7	13.9

Miscellaneous

High	Low	Stock	Price	+ or −	Div. Net	C'vr	Yld Gr's
180	78½	Anglo-Dominion	150	−3	—	—	—
97	40	Barymin	40	......	—	—	—
17	12	Burma Mines 10p	15	......	0.62	1.1	6.0
445	53	Colby Res. Corp.	240	−10	—	—	—
502	210	Cons. Murch. 10c	210	......	tQ30c	1.8	8.2
180	75	††Hemerdon 10c	82	......	—	—	—
225	36	Highwood Res.	165	+5	—	—	—
585	310	Northgate C$1	310	−5	—	—	—
*486	322	R.T.Z.	372	......	t16.0	3.2	6.1
£115	£93½	Do. 9½% Cnv. Uns. Ln. '95-2000	£93½	−2½	Q9½%	—	t10.5
143	91	††SPO Minerals 10p	143	+1	—	—	—
58	26	Sabina Inds. C$1	46	+6	—	—	—
51	29	††SWCM 10p	34	......	—	—	—
650	411	Tara Exptn. $1	480	......	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- ♣ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 163(2)(a); not listed on any Stock Exchange and not subject to any listing requirements.
- ‡‡ Dealt in under Rule 163(3).
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ** Regional price.
- § No par value.

§§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1981-82. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1980-81. K Figures based on prospectus or other official estimates for 1979-80. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1981. P Figures based on prospectus or other official estimates for 1980-81. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Stock	Price	+ or −	IRISH	Price	+ or −
Albany Inv. 20p	40	......			
Bertam	12	......	Conv. 9% '80/82	£93⅝	......
Bdg'wtr. Est. 50p	555	......	Nat. 9¼% 84/89	£75½	......
Craig & Rose £1	£11¼	......	Fin. 13% 97/02	£86¼	......
Fife Forge	41	......	Alliance Gas	52	......
Finlay Pkg. 5p	21	......	Arnott	220	......
Graig Ship. £1	£21	......	Carroll (P.J.)	81	+1
Higsons Brew	70	......	Concrete Prods.	90	......
Holt (Jos) 25p	360	......	Heiton (Hldgs.)	30	−2
I.O.M. Stm. £1	172xd	......	Ins. Corp.	395	−10
Pearce (C. H.)	685	......	Irish Ropes	40	......
Peel Mills	60	......	Jacob	38	......
Sheff. Refrshmt.	95	......	T.M.G.	26	......
Sindall (Wm.)	130	......	Unidare	82	......

OPTIONS

3-month Call Rates

Industrials					
A. Brew	7	I.C.I.	28	Utd. Drapery	6½
BOC Intl.	9	"Imps"	7	Vickers	14
B.S.R.	4½	I.C.L.	9	Woolworths	5
Babcock	11	Inveresk	3	**Property**	
Barclays Bank	40	Ladbroke	26	Brit. Land	8
Beecham	15	Legal & Gen.	20	Cap. Counties	11
Blue Circle	30	Lex Service	9	Land Secs.	35
Boots	20	Lloyds Bank	28	MEPC	20
Bowaters	20	"Lofs"	4	Peachey	8
B.A.T.	25	London Brick	6	Samuel Props.	15
Brown (J.)	6½	Lucas Inds.	20	Town & City	2¾
Burton	10	"Mams"	20	**Oils**	
Cadburys	6	Mrks. & Spncr.	9	Brit. Petroleum	36
Courtaulds	6	Midland Bank	32	Burmah Oil	19
Debenhams	8	N.E.I.	7	Charterhall	11
Distillers	17	Nat. West. Bank	32	KCA	22
Dunlop	7½	P & O Dfd.	12	Premier	10
Eagle Star	22	Plessey	25	Shell	40
F.N.F.C.	3½	Racal Elect.	32	Tricentrol	34
Gen. Accident	30	R.H.M.	4	Ultramar	48
Gen. Electric	50	Rank Org.	16	**Mines**	
Glaxo	22	Reed Intnl.	18	Charter Cons.	20
Grand Met.	14	Sears	4½	Cons. Gold	45
G.U.S. 'A'	40	Tesco	5½	Lonrho	10
Guardian	32	Thorn	28	Rio T. Zinc	45
G.K.N.	16	Trust Houses	18		
Hawker Sidd	20	Tube Invest.	18		
House of Fraser	15	Unilever	50		
		U.D.T.	4½		

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 26

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £500 per annum for each security

FINANCIAL TIMES

Tuesday February 10 1981

EPTU calls action if hospitals offer 6%

By Pauline Clark, Labour Staff

THE ELECTRICAL and Plumbing Trades Union has given a go-ahead to 5,500 hospital electricians for an early programme of industrial action, if as expected, they are given a 6 per cent pay offer by Health Service employers tomorrow.

The electricians, whose industrial action over pay in 1978 threatened to close hospitals in some areas, claim a 24 per cent increase to maintain an eight-year-old private-sector parity agreement.

Increase

They expect to receive the same treatment as hospital ancillary workers and ambulancemen, whose union leaders met Mr. Patrick Jenkin, the Social Services Secretary, yesterday to protest at their 6 per cent pay offers, made in the absence of a clear statement from the Government on what Health Service cash limits are to be this year.

Hospital ancillary workers seek an increase of at least 7.5 per cent in line with the recent council workers' settlement. Ambulancemen want 18.8 per cent to preserve comparisons with firemen.

The hospital electricians could present the most immediate threat of a major confrontation with the Government and by one of the most moderate unions.

Mr. Peter Adams, national officer for the group in the EPTU, said he expected an unsatisfactory response to the electricians' claim and that industrial action would thus go ahead with full blessing of the union's executive council.

He said that meetings of hospital electricians' branches in the past two months had shown that the membership was prepared to support action.

In 1978 the electricians' took selective action in hospitals for about a week in a similar battle to protect formal links with pay in the electrical contracting industry.

Funding

It was then in the face of the Labour Government's pay-restraint policy. The agreement was saved by implementation of a bonus payment rate.

The EPTU this year has proposed a formula for funding the claim through savings from reduction in hospital electricians over the past year.

The union says this was to avoid a confrontation with the Government. Mr. Adams said the proposal which also calls for consolidation of bonuses, has not been taken up so far. It would mean no more than a 6 per cent increase on the wage bill.

Hospital electricians' basic rates kept pace with those in the private sector until September.

Civil Service pay talks Page 10

Solidarity told to shun politics

BY CHRISTOPHER BOBINSKI IN WARSAW

LEADERS OF Solidarity were yesterday accused of trying to turn the independent union into a political movement and individual members of the dissident movement KOR were attacked by name in a tough keynote speech at the Polish Communist Party's central meeting.

But the speech, by Politburo member Mr. Tadeusz Grabski, stopped short of condemning Solidarity as a whole, as had been suggested in draft versions of the speech which circulated in Warsaw last week.

There was also no suggestion that the authorities were thinking of withdrawing from last summer's agreement under which workers were guaranteed the right to an independent union.

Ye the speech as the toughest warning so far that Solidarity should stick to what the authorities consider to be trade union matters. Mr. Grabski said the union faced a choice: either to escalate further its demands on the authorities, or to co-operate in resolving Poland's problems.

Mr. Grabski attacked Mr. Jacek Kuron, Mr. Adam Michnik and the dissident KOR group to which they belong as working to dismantle the state. KOR along with other "extremists" was working within Solidarity for "political pluralism which would serve counter-revolutionary aims." This represents "a dangerous threat to the foundations of the social system," he said.

He painted a sombre picture of what he saw as growing chaos in the country and politically inspired strikes. Industrial production in January had fallen by 7.6 per cent compared with the same month last year, while wages had risen by some 19 per cent. Hard currency exports were 23.3 per cent down last month compared with January, 1980.

Party members who are also members of Solidarity should defend party policy and refuse to take part in political strikes, he added.

Mr. Grabski also attacked "rural Solidarity," the private farmers' trade union which claims up to ½m members, as being against the farmers' interests. This would suggest that today's court application for registration of rural Solidarity will fail.

Meanwhile Mr. Lech Walesa, the Solidarity leader, travelled to Warsaw from Jelenia Gora — where a general strike started yesterday — for further talks with the Government in an attempt to resolve the conflict. The union's regional branch there is demanding that a sanitorium being built for the Interior Ministry be turned over to general use.

Talks began yesterday at the Mining Ministry in Katowice, capital of the southern mining district of Silesia, to try and avod a miners' strike which is called for today. The authorities are refusing to grant a five-day working week to administrative staff in the mines and to workers in engineering and other enterprises which come under the Ministry.

The regional branch of Solidarity there is arguing that strike agreements last autumn, which gave the miners a five-day week, covered everyone who worked for the Mining Ministry.

Polish economy, Page 2

NCB plan may cost 20,000 jobs

BY MARTIN DICKSON, ENERGY CORRESPONDENT

THE National Coal Board will ask miners' leaders today to accept production cuts which could cause the loss of more than 20,000 jobs over the next two years. The lost jobs would represent about 10 per cent of the industry's workforce.

The plan is likely to involve the closure of up to 25 collieries. It seems certain to provoke a clash with miners' unions strongly opposed to an accelerated programme of pit closures.

The cuts will be outlined by Sir Derek Ezra, the board's chairman, at a meeting with union leaders in London called to discuss the recession's severe effects on the industry.

Demand for coal has dropped sharply and the board is unlikely to sell more than 118m tonnes in the year to March, compared to over 125m tonnes in 1979-80.

It is having to add about 8m tonnes to stocks. These now stand at about 37m tonnes, the highest they have ever been in proportion to annual coal consumption.

With demand expected to remain depressed until at least the mid-1980s Sir Derek is likely to call for production cuts of at least 8m tonnes a year to help reduce the stockpile.

Up to 10 per cent of the board's output could therefore be at stake and about 10 per cent of its 230,000 jobs. Hardest hit will be areas containing some of its heaviest loss-making mines—South Wales, Scotland, and north-east and north-west England.

However, the number of redundancies could be significantly lower than job-losses if a sufficient number of elderly miners agree to accept early retirement.

The Government is also considering softening the blow by increasing social grants to the board, to boost redundancy payments. The Energy Department is believed to favour increased assistance but has yet to obtain Treasury approval.

Sir Derek is not expected to give details today of the pits to be closed or of the jobs to be lost. Production cuts proposed by the board for each of its 12 areas will be unveiled at meetings in the coming week between local management and union officials. They will then be subject to discussion.

The National Union of Mineworkers strongly opposes the closure of any colliery where it considers there are workable reserves of coal.

But the board will argue that the heaviest lossmakers must be closed if the board is to weather the recesssion and maintain the high level of investment needed to expand output in the long run.

In spite of the recession the industry's long-term future is still considered bright.

Welsh miners' fears, Page 6

Cutback in aid to inner cities

BY ROBIN PAULEY AND MARGARET VAN HATTEM

THE GOVERNMENT is cutting the amount of money available for existing inner city aid to give cash to the new urban development corporations for the derelict docklands in London and Liverpool.

Mr. Michael Heseltine, Environment Secretary, said last year he hoped to persuade the Cabinet to give the new bodies substantial amounts of cash in addition to funds for existing programmes.

In an about-turn Mr. Heseltine said yesterday that although the total amount available in 1981-82 would be £224m compared with £181m in 1980-81 (at 1980 survey prices), £66m was earmarked for the urban development corporations. This leaves only £158m for the existing urban programmes.

He was attacked in the Commons by Labour and Liberal spokesman for cutting resources from areas recognised as being in urgent need of help.

Mr. Heseltine announced an important new condition for councils receiving inner city aid money. Effective consultation with local industry and commerce would be a prior condition, and the voluntary sector, which could contribute much to the solution of inner urban problems, should be consulted.

No changes are to be made to the list of councils receiving the money. The main recipients are the six partnership authorities, with the worst problems of urban decay in England. They are Birmingham, Liverpool, Hackney-Islington, Manchester-Salford, Lambeth, Newcastle-Gateshead. Another 15 "programme" councils receive a lower level of aid and a small amount of support goes to 14 "designated districts."

Mr. Gerald Kaufman, opposition spokesman, said Mr. Heseltine was cutting the main aid programme by 26 per cent compared with projections in the 1979 public expenditure white paper. Mr. Heseltine had also not taken into account the reduction in the level of cenrtal govenment support for councils contined in the 1981-82 rate support grant settlement or the 27 per cent cut in the housing investment programme.

NEB and Barclays to boost Monotype

By Andrew Fisher

SEVERAL MILLION pounds of extra working capital are to be injected into the loss-making Monotype Corporation by Barclays Bank and the National Enterprise Board, the UK typesetting company's biggest shareholders.

A board meeting is being held today to discuss details of the injection, which follows the conversion by the bank and the NEB of £3.25m worth of loans into ordinary shares of Monotype.

Monotype, at one time under the control of Mr. Christopher Selmes, the financier, was rescued by Barclays and the NEB in 1978. Both took a stake of 37.5 per cent and put in up to £3.5m each.

Mr. Roger Day, Monotype's group chief executive, described the latest decision to provide more funds as "a clear vote of confidence." The company had a clear direction "and the advantage of a sound financial structure."

The company has developed a new range of printing machines, headed by 'Lasercomp' which it describes as the only commercially proven phototypesetter using a laser beam light source.

According to Mr. Tom Ely, the finance director, 'Lasercomp' has been well received in the market, especially in the U.S., where Monotype has not previously been well represented.

Last year, Monotype raised overall sales by about £1m to £17m, of which 85 per cent was in the form of exports. But the company is still in the red.

Against the background of recession and high interest rates, "we are not losing that much money," said Mr. Ely.

At the time of the 1978 rescue, Barclays agreed to convert interest on its existing lendings into a 37.5 per cent holding in a new holding company to run Monotype.

Wholesale prices Continued from Page 1

Industry's output price index rose last month by 1.4 per cent compared with December to 209.6)also 1975=100), the first monthly rise above 1 per cent since last April.

The increase was partly due to the normal seasonal bunching of price increases at the beginning of the year. Some companies may, however, be trying to boost profit margins, which have been severely squeezed in the recession.

Higher prices for petroleum products accounted for about half last month's increases for manufactured products apart from food, drink and tobacco. A rise in milk prices was the main factor behind price increases in the food manufacturing sector.

Because last month's increase in output prices was less than half the rise registered in January last year, the 12-month rise fell to 11.2 per cent from 12.7 per cent in December, the lowest since May, 1979, and the 10th successive monthly fall.

But the rate over the last six months increased to 3.5 per cent from 3 per cent in December.

The 12-month rise for fuel and materials fell to 8.8 per cent from 9.5 per cent in December, and is down to the lowest since January 1979.

But the rate of increase over the past six months increased to 4.5 per cent from 2 per cent in December. This underlines the quickening of industry's cost increases in the past few months, following a period from March to October last year when input prices hardly changed.

Fish policy talks Continued from Page 1

Britain should retain exclusive control over certain waters off its shores. "As far as I am concerned," he said, "it all depends on the attitude of the French."

Much of the day was taken up by discussion of the Commission's latest figures on catches to be permitted in Community waters for this year.

The Commission's proposals, based on the latest evidence from its scientific experts, increase the overall possible catch slightly for the seven main species and include a substantially higher quota for herring, especially in the North Sea, where widespread bans have operated since 1976.

● Another short extension allowing continued imports of New Zealand butter into the Community was approved in Brussels yesterday. It lasts until February 24, the second day of the next scheduled meeting of the EEC Council of Agriculture Ministers. The measure was similar to one adopted last month.

Britain, which takes virtually all of New Zealand's butter exports to the Community is seeking a new three-year agreement for its traditional trading partner. France is insisting on only one year, with a cut in the amount of the imports. It argues that any long-term agreement would be inappropriate in the light of this year's plans for a review of the Common Agricultural Policy.

Ansells to close Aston Cross brewery

BY GARETH GRIFFITHS

ANSELLS, the Midlands subsidary of Allied Brewers, is closing its brewery at Aston Cross, Birmingham, with the loss of 600 jobs and a reduction in the group's capacity of about 1m bulk barrels of beer a year.

Production at the brewery has been at a standstill for a month because of a dispute involving 1,000 workers, members of the Transport and General Workers' Union, over short-time and redundancies. Allied blames the closure decision on poor industrial relations there.

Sir Derrick Holden-Brown, vice-chairman of Allied Breweries, said yesterday that closure decision was irrevocable, and that Ansells had reached the point of no return. He described industrial relations at the plant as offering no hope of an improvement.

Allied said that the brewery had suffered recurring industrial conflict for many years, and that for many months Ansells board and management had tried to impress on the work force the need for major cost savings to make the brewery profitable instead of money-losing.

Though it will be closed and put up for sale, Allied plans to keep open two transport depots at Aldridge and Gravelly Park.

The Ansell headquarters, which is at the brewery, will be moved, probably to another site.

Allied will guarantee a year's employment for administrative and clerical staff affected by the closure, and says it will attempt to find staff other jobs in the group.

The TGWU local officials at Ansells' plant described the closure as "a bluff."

Mr. Matt Folarin, vice-chairman of the TGWU branch at Ansells, said the union would stop Allied beer deliveries to public houses in the Midlands unless the closure notice was withdrawn.

Allied management will negotiate with the TGWU over an agreement for the depot's staffing. It intends to make ex-gratia payments to some dismissed strikers if an agreement is reached.

News Analysis, Page 7

Weather

UK TODAY

COLD. Frosty start, fog patches. Sunny periods. Showers. Max. temp. 6C (43F).

London, S.E. & C. England, Midlands, Channel
Dry, sunny periods.

Rest of UK
Showers, sunny periods.

Outlook: Temperatures near or below normal. Snow, followed by rain spreading from West. Showers. Night frost.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	14	57	London	R	8	46
Algiers	S	19	66	L. Ang.†	R	11	52
Amsdm.	C	9	48	Luxmbg	C	5	41
Athens	S	15	59	Luxor	F	20	68
Bahrain	S	27	81	Madrid	C	8	46
Barclna	C	13	55	Majorca	F	14	57
Beirut	F	15	59	Malaga	F	17	63
Belfast	S	4	39	Malta	S	16	61
Belgrd.	S	12	54	Mchstr.	Sl	2	36
Berlin	C	6	43	Melbne.	F	27	81
Biarritz	C	11	52	Mx. C.†			
Bmghm.	Sl	2	36	Miami†	C	19	66
Blackp'l	R	3	37	Milan	C	7	45
Bordx.	C	9	48	Montrl.†	C	−5	23
Boulgn.	C	7	45	Mosc'w	Sn	−1	30
Bristol	R	5	41	Munich	S	7	45
Brussels	C	8	46	Naples	F	14	57
Budpst.	F	11	52	Nwcstl.	R	5	41
Cairo	F	17	63	N. York†			
Cardiff	R	6	43	Nice	C	13	55
Casblca	C	14	57	Nicosia	S	16	61
Cape T.	C	21	70	Oporto	C	12	54
Ch'cg.†	Sn	−8	18	Oslo	S	2	36
Cologne	C	9	48	Paris	C	6	43
Cpnhgn.	F	5	41	Perth	S	30	86
Corfu	S	14	57	Prague	F	9	48
Denver†	C	−6	21	Rykjvk.	C	−6	21
Dublin	S	6	43	Rhodes	S	15	59
Dbrvnk.	S	13	55	Rio J'o†			
Edinbgh.	C	2	36	Rome	C	12	54
Faro	C	15	59	Salzb'rg	S	7	45
Florence	C	8	46	S'cisco†			
Frankf't	C	9	48	Singapr.	F	31	88
Funchal	F	17	63	S'tiago†			
Geneva	C	2	36	Stckhm.	S	0	32
Gibrltr	S	17	63	Strasbg.	F	9	48
Glasg'w	F	4	39	Sydney	S	35	95
G'nsey	R	7	45	Tangier	F	17	63
Helsinki	F	−3	27	Tel Aviv	S	16	61
H. Kong	S	22	72	Tenerife	S	18	64
Innsbr'k	S	6	43	Tokyo	S	10	50
Invrnss	F	3	37	T'r'nto†	C	−9	16
I.o.Man	F	5	41	Tunis	S	18	64
Istanbul	S	9	48	Valencia	S	16	61
Jersey	R	7	45	Venice	S	8	46
L. Plms.	S	20	68	Vienna	S	12	54
Lisbon	F	13	55	Warsaw	F	5	41
Locarno	S	6	43	Zurich	C	3	37

C—Cloudy. F—Fair. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.
† Noon GMT temperatures.

THE LEX COLUMN

Peugeot back on the defensive

Now that it looks unlikely that Minimum Lending Rate will be lowered before the Budget, today's banking figures for the month to mid-January assume less importance. But the gilt-edged market may be disappointed if sterling M3 turns out to have risen by much above half of one per cent.

Peugeot

To British eyes, Peugeot is an increasingly reluctant provider of funds to its heavily loss-making subsidiary Talbot UK, which is clearly fighting for its life yet again. But Peugeot's own problems go beyond those of the Linwood plant, and it is no longer—as Sir Keith Joseph was doubtless reminded by Peugeot's emissaries yesterday—a multinational with a bottomless purse.

Last autumn Peugeot forecast group losses of FFr 1.5bn for 1980, but the last two months of the year were very poor and Paris analysts are now steeling themselves for losses well in excess of FFr 2bn. Talbot—in France and Spain as well as in the UK—is the most difficult area, but Citroen has already reported losses of FFr 0.8bn and even the Automobiles Peugeot division may be no more than breaking even.

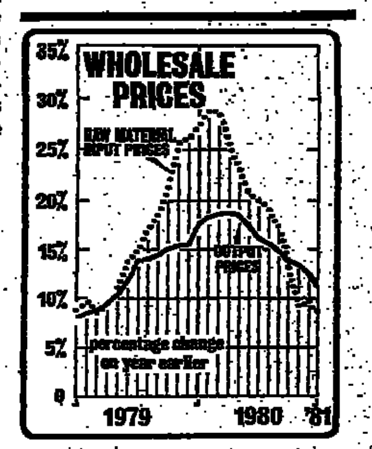
This is going to leave Peugeot's balance sheet, already weakened by the acquisition of Chrysler's European assets, decidedly stretched. At the end of 1979 net worth stood at FFr 14.8bn, with long-term debt of FFr 9.2bn and short-term borrowings, net of cash, at another FFr 3.0bn. The group has been a heavy borrower in the euromarkets since then, and both fixed and working capital must have absorbed a lot of cash.

Peugeot's rapid and highly ambitious expansion has left it with the structural problems of running three separate model ranges on top of the general cyclical troubles common to the motor industry as a whole. The group has relied on a strong performance in the home market to finance new models and acquisitions, and it must be deeply worrying that the French market is in a sharp decline—January new car registrations were 12 per cent down on the level of January, 1980.

This overall drop may be slightly overstated because of the absence of one working day. However, both Peugeot and Citroen saw sales volume fall by a quarter, while imports rose by a fifth to take just under 28 per cent of the market, up from 20 per cent a year ago. The problem is not so much the Japanese—although they must be a thorn in Peugeot's flesh in export markets, particularly in the old French colonies—as the German cars which are pouring across the Rhine, powered by highly competitive D-marks.

Peugeot shares have rallied a little in the last few days, and now stand at FFr 128.50 against a recent low of FFr 115. But this is still only a quarter of the level at the time of the Chrysler acquisiton, and the market capitalisation of the ordinary shares is a mere FFr 1.6bn.

Index rose 0.6 to 480.9



Prices

There was disappointment among the City's analysts yesterday over the January wholesale price indicies, but nevertheless both the input and output measures of wholesale price inflation showed useful declines on a year-on-year basis. And when the retail price index is published on Friday it should show a drop in the annual rate of inflation from 15.1 to around 13 per cent.

Traditionally January 1 is a day on which many companies review their price lists, so a rise in the wholesale output price index of 1.4 per cent does not necessarily imply any acceleration in the recent monthly average increase of 0.4 per cent or so. In January, 1980, after all, this index jumped 2.8 per cent. Slightly more puzzling is the 2.6 per cent rise in the input index, though it seems that fuel prices can take the blame.

Overall, recent price trends indicate that pressure on industry's margins has continued to be acute (though wage inflation will have been moderating). In the past quarter input prices have climbed by 4.6 per cent while output prices have increased only 2.1 per cent. The RPI has, of course, been strongly influenced by steep rises in nationalised industry prices. The year-on-year increases in shop counter prices implied by yesterday's value and volume indices for retailers in December is just 8.6 per cent.

Caparo/CMT

Caparo waited till almost the last minute to announce its rival 55p a share cash offer for Central Manufacturing and Trading yesterday. Hanson Trust is now free under the Takeover rules to withdraw its offer (worth 52½p on the paper alternative last night) which is due to close on Friday, if Hanson chooses it can subsequently launch a counter-bid.

CMT yesterday rejected Caparo's overtures, as it has rejected Hanson's. While Caparo's announcement has come late in the day, it would be wrong to regard it simply as a stratagem to push up Hanson's offer price. Caparo, a private company with mainly property investment interests, may have a net asset value of only £3m and long-term debt of £10m, but its owner clearly has very substantial resources at his disposal. CMT's share price rose ½p yesterday to 54p.

Hanson has a reputation as a value-conscious bidder. Nevertheless, acceptance of Caparo's offer would crystallise a £1m loss on the 13 per cent stake acquired in 1979. Furthermore it has already shown to some extent that it has the management ability to turn CMT round. Now it has to decide whether to boost its offer to around, say, the 60p a share mark. At that level Caparo would pick up a profit of £850,000 if it decided to throw in its hand.

Monotype

Barclays Bank and the National Enterprise Board are injecting further working capital into Monotype, the battered Grendon Trust survivor which in 1978 was the first industrial recipient in recent years of clearing bank equity investment. That was a precedent which could well be followed in a number of other troubled cases in the near future. But it is still by no means clear whether Monotype can set a successful example. It continues to make unspecified losses, though presumably the conversion of £3.25m of loans by Barclays and the NEB into equity will now ease some of the burden of interest charges.

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